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# Latin America Report

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## POWER PLANT CONSTRUCTION TIMETABLES TO BE STRETCHED OUT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Mar 82 p 28

[Text] Yesterday, finally, perhaps pressured by announcement of an actual surplus of electrical energy, authorities of the sector completed in Brasilia "Plan 2000," a forecast of energy-generating needs through the end of the century. The document provides for building eight nuclear plants in addition to Angra 1: Angra 2 and Angra 3 (whose initial operation was delayed from 1986 and 1988 to 1987 and 1989, respectively), plus two in Sao Paulo and four others. Of the total, four will be built during the Figueiredo administration and four during the next. Another decision was to delay construction of 10 hydroelectric plants, including Porto Primavera, Taguarucu and Rosana in Sao Paulo.

Drafting the document in these terms represents a victory for the president of ELETROBRAS [Brazilian Electric Power Companies, Inc], General Costa Cavalcanti, advocate of delaying construction of the nuclear plants, as opposed to the president of Nuclebras, Paulo Nogueira Batista, natural advocate of maintaining the original timetable. A dispute denied by Cavalcanti yesterday.

Uninformed about the announced decisions, the public works secretary for Sao Paulo State, Walter Coronado do Antunes, denied, also in Brasilia, a possible work halt or even delay in constructing hydroelectric plants in his state. Coronado had discussed with Mines and Energy Minister Cesar Cals the specific problem of CESP [Sao Paulo Electric Company], an energy surplus expected in future years. According to him, a way was found to create a market for the excess: stimulating industry to replace boiler heating by fuel oil with electrical energy.

Although he said he was "prohibited" by Minister Cesar Cals from speaking specifically about the CESP, Costa Cavalcanti took exception to reports in O ESTADO DE SAO PAULO about the company's overproduction. He said the market considered was not the one actually computed in the "Plan 2000," nor had rescheduling of plant construction been taken into consideration. (It should be recalled, however, that until the report was published conclusion of the "Plan 2000"--as a result of the rescheduling advocated therein--was delayed several times. Because of the "non-existent" dispute between ELETROBRAS and Nuclebras.)

While Costa Cavalcanti was making these announcements in Brasilia, ELETROBRAS was reporting in Rio de Janeiro the final figures for energy consumption in 1981. Growth was 3.3 percent, the lowest increase in the last 20 years; in 1980, for

instance, the growth rate was 10.5 percent and it was believed that about the same figure would prevail last year. The drop was widespread, by sector (residential, commercial, industrial and public entities) as well as by regions, as the entire nation was affected.

Apparently the rescheduling intended to avoid the problem--essentially as contained in the "Plan 2000"--can be done without much trouble. In the foreign area, the KWU [Kraftwerk Union, AG] representative in Rio de Janeiro, Wolfgang Breyer, asserted that there is no legal problem. The Brazil-FRG agreement does not specify dates; in the annex only the year 1990 is mentioned as the deadline for the whole program. Only in the case of Angra 2 and Angra 3 is there a specific date, but due to the interrelation of industrial contracts and bilateral commitments (see next page [as published; not included here]).

Domestically, the dispute over the actual supply and consumption of energy had a further repercussion: resignation of the Sao Paulo State planning secretary, Rubens Vaz da Costa, is related to the CESP situation.

#### New Deadline for Itaipu, 10 Other Hydroelectric Plants

Brasilia--Despite the energy surplus existing in the nation, especially in the Southeast region, "Plan 2000," which establishes energy generation through the year 2000, provides for beginning construction of four nuclear plants during the Figueiredo administration and four more during the following administration, with other nuclear and hydroelectric plants to be added beginning in 1986 if energy consumption at the time warrants. This was announced by Mines and Energy Minister Cesar Cals minutes before delivering the plan to President Joao Figueiredo.

Meanwhile, an official note distributed yesterday by the Mines and Energy Ministry states that only eight nuclear plants--Angra 2 and Angra 3, already begun, two in Sao Paulo and four others--are forecast by the "Plan 2000" through the end of the century.

In the note the ministry justifies building these plants with "the need to preserve the technical capital already absorbed in the nuclear area." In the area of coal, the plan contemplates the units of Jorge de Lacerda 4 and Candiota 3, already acquired by ELETROSUL [Southern Electric Power Plants] and the State Electric Power Company (RS [Rio Grande do Sul]), planning eight additional units by the end of the century.

ELETROBRAS President General Costa Cavalcanti, in turn, confirmed that initial operation will be delayed for 10 hydroelectric plants, including 3 in Sao Paulo: Porto Primavera, Taguarucu and Rosana. According to him, initial operation of Angra 2 and Angra 3 has been delayed until 1987 and 1989, respectively, from 1986 and 1988.

Nuclebras President Ambassador Paulo Nogueira Batista, who had been advocating inclusion of 14 nuclear plants in the "Plan 2000," refused to make any comment when he left the meeting with Minister Cals and General Costa Cavalcanti where the finishing touches were put on the plan to be delivered to President Figueiredo.

After the meeting, Cals told the press that due to lower energy consumption the nuclear and hydroelectric plants were rescheduled, stressing however that the president of the republic will have the final word.

#### New Timetable

At the meeting held in the morning, when the problem of surplus energy in Sao Paulo was discussed, General Costa Cavalcanti confirmed these scheduling changes for initial operation of hydroelectric plants established in the "Plan 2000": Porto Primavera (SP [Sao Paulo]), planned for 1985, delayed until 1987; Taguarucu and Rosana (SP), planned for 1984, also delayed until 1987; Santa Branca (SP), from 1983 to 1988; Nilo Pecanha (RJ [Rio de Janeiro]), from 1983 to 1989; Segredo (SC [Santa Catarina]) and Ilha Grande (PR [Parana]), from 1986 to 1988 and 1989, respectively; Corumba (GO [Goias]), from 1987 to 1989; Canal Tres Irmaos (SP), from 1982 to 1985; and Ute Carvao (RS and SC), from 1987 to 1988.

The Mines and Energy Ministry explained the rescheduling of initial operation for 10 hydroelectric plants by the growth of energy consumption in 1981 of only 3.2 percent throughout the country and 1.3 percent in the Southeast (the region that absorbs 72 percent of the energy generated nationwide). The government had predicted a nationwide increase in consumption last year of 11.8 percent.

The world's largest hydroelectric plant, Itaipu, General Costa Cavalcanti confirmed, will also have initial operation of its 18 turbines delayed. Two of them will begin operating during the first half of 1983 and from then on one will start up every 4 months until the end of 1988, when construction of the plant will be entirely finished. Just yesterday Minister Cesar Cals had said that the 16 turbines would begin operating every 3 months.

With this rescheduling plus the marketing policy and the policies for increasing energy consumption--such as stimulating programs for irrigation and for exporting energy furnished seasonally for a fixed period--there will not be any excess energy, Costa Cavalcanti said. "We will have only some reserve for coping with market changes that may occur," he pointed out. He also stressed that "2 years ago the press was shouting that there would be energy rationing in 1982 and what happened was different."

Costa Cavalcanti, who had been advocating longer delays in schedules for building nuclear plants in order to provide funds to build hydroelectric plants, gave all this information upon leaving the meeting at which the Sao Paulo problem was discussed. After the second meeting, held in the afternoon, with the president of Nuclebras, he limited himself to answering questions about his disputes with Paulo Nogueira Batista: "There has never been a dispute between ELETROBRAS and Nuclebras and our relationship has always been the best," he asserted. Asked about who would benefit from the "Plan 2000," he said that neither would be benefited, "because there is not a hydroelectric sector and a nuclear sector, but there is only an energy sector."

8834  
CSO: 3001/94

## NEED FOR NATIONAL ENERGY SAVINGS DISCUSSED

Havana VERDE OLIVO in Spanish 11 Feb 82 pp 40-43

[Article by Jose Cazanas Reyes: "Saving Energy--an Urgent Necessity"]

[Text] In our country, the task involving saving fuel and electrical energy has always been a focus of concern for the socialist state, as an important measure within our economy.

However, in recent years this need has become urgent, due to the limitations of the nation resulting from sugar prices and the energy and economic crises facing the capitalist world, from which we are not isolated.

We say this because apart from the fact that we belong to the socialist community, and almost all of our trade involves socialist nations, the situations mentioned above affect the economy of the country directly or indirectly, because we do not depend solely on the member nations of the Council for Mutual Economic Assistance (CEMA) for our markets.

Cuba does not have major rivers to provide it with water energy, or coal deposits. Neither does it have sufficient oil reserves or other energy sources which can produce electricity given current conditions.

However, this situation has not served to limit the development of the country, since just after the revolutionary triumph occurred, an effort was launched which has quintupled electrical energy generation in 20 years. If the ineptly named Cuban Electricity Company generated 1.7 billion kilowatts in 1958, the figure now exceeds 8 billion.

On the other hand, consumer centers have grown, while state consumption has undergone a real explosion from the investment point of view. The economic and social projects of all types created by the revolution can be counted in the dozens, hundreds and thousands.

The main activities of modern man revolve entirely around electricity. In the social sector, it is an important factor in the development of productive forces and in population standards. However, we know little or nothing about the extent of the effort and the investments made or underway in order to make this energy resource available, nor the extent of the fuel necessary to produce it.

It is the generous fatherland of Lenin, the only country in the world to have based its impetuous development on its own energy resources, which has served as a guarantor so that in these 23 years of revolutionary regime, there has been no interruption in the building of an industrial plant, the operation of a bus, the functioning of a new hospital, laboratory, PRE, ESBEC [Basic Secondary Farm School] or nursery school, or supplying electricity to a new community, a dairy farm, or the operation of the 2 million electrical household appliances purchased by the workers for lack of oil which, whatever the difficulties, that nation sent us.

Approximately 2 years ago, the largest consumer of oil in the country, the electrical industry, required the astronomical total of 2,250,000 tons for its production purposes. If this quantity had been purchased on the world market, on which a ton of sugar commanded a price equivalent to a ton of oil, a large part of our harvest would have had to be earmarked for that purpose.

#### No Right To Waste

Oil is a natural resource the present and future status of which is a focus of great world concern, and we must not, just because the USSR guarantees us, ignore its importance by wasting it, as on occasions we have done.

Saving electrical energy means saving oil, and therefore our socialist state assigns priority to everything having to do with this urgent need, which every foresighted country has adopted as its own.

First of all, for long years now, an appeal to collective awareness has been with a view to saving electricity. As Commander in Chief Fidel Castro said on the subject in his speech on 15 February 1978:

"No one has a right to waste electricity, because we can see the effort which must be made to produce it, we can see what must be done to build these units, what the hours of labor, the months and sometimes years invested in the construction of each unit cost, how many shiploads of oil are needed, how much sugar cane must be cut and how much sugar produced in order to be able to buy these industrial plants, in order to be able to buy fuel. When one is aware of all this, when one knows this, one will certainly see it as his duty to save electricity, not to waste electricity either in the home, in the school, in the hospitals, in the factories or anywhere."

As a result of the statements made by the head of the revolution and the collateral efforts which have been made, some favorable results have been achieved. However, it became clear that certain both individual and collective measures were needed, as well as some of a state nature, to deal with the existing situation.

And so on 1 October 1980, a new electricity rate went into effect for the residential sector, along with the system of manual reading of electrical meters. Approximately a year later by virtue of and thanks to the economic laws inherent in the construction of socialism, consumption in this sector had dropped from 30 to 26 percent.

About a billion pesos have been invested in the country to develop the electrical industry, and as a result more than 70 percent of the families in Cuba have electricity. Tens and hundreds of factories, workshops and industrial complexes of various types have developed in these years since the revolution, and it is they precisely which consume the most electricity and therefore must save the most.

## Energy and Production

For this reason, in a second phase, as planned, a rate for the state sector went into effect in 1981, and it is in this sector that the current steps are being taken to exert an influence on the great electrical energy and fuel saving potential.

Much earlier, in December 1979, the Executive Committee of the Council of Ministers promulgated Resolution No 667, based on the rational use of energy. In this connection the National Energy Saving Commission, made up of bodies and institutions involved in one way or another in energy consumption, was established. Other organs for the purpose, as well as the provincial commissions, also developed.

The state sector, which consumes about 74 percent of the electrical energy produced in the nation at present, will be faced in the future with a new situation, experimental at present at a group of enterprises, but to be extended to the smallest workshop later.

As is logical, the electrical enterprise establishes a production plan for the year, as well as one for the fuel needed to implement it. Thus the enterprise is committed to provide the energy produced within the plan, making it available to the consumers on the basis of the quantities allocated to them based on their production plans.

In this connection, the electrical enterprise is orienting its efforts toward various goals and is including within its work two basic tasks: load adjustment and selection of the 119 enterprises in the country which are the heaviest consumers, within which a plan will be implemented. In accordance with this plan, the quantity of electrical energy needed on the basis of productive management needs will be allocated.

The Central Planning Board, the Ministry of Basic Industry and the other state organs and the Energy Saving Commissions in the provinces will be in charge of ensuring that this plan is carried out.

But the load adjustment will not be carried out in just the 119 selected enterprises, but throughout a larger group. In this connection a complex of activities have been pursued, many of them having already been completed. They include the dispatch of the manual explaining how to carry out the corresponding studies, in view of the new situation which has developed, as well as a chart showing the importance of the various factors.

The electric enterprise has also urged that 90 days after receiving these documents, the necessary information be supplied and presented for its approval. The primary criterion which should prevail is that of saving.

It would be well to make it clear that in speaking of load adjustment, its two basic components must be taken into account: load regulation and its adjustment as such. Thus in the matter of saving electricity, there are intrinsically two ways of achieving this, and thus saving oil. This is made clear because regulation is a means in itself, representing the elimination of unnecessary consumption.

On the basis of the new rate for the state sector, each kilowatt hour consumed by industries between 6 and 10 at night cost 4 times as much as the same quantity consumed during the day and 8 times as much as that consumed in the early morning hours.

In other words, when enterprises succeed in transferring all or a part of their consumption from the peak hours (between 6 and 10 at night) to the early morning hours, they are not only aiding the economy of the country through the savings in oil achieved, but also in terms of the improvement in production costs due to the efficiency achieved. In other words, they are fulfilling the production plan with the same quantity of electricity, but at a lower cost.

#### Other Measures

But economic efficiency in the industries and enterprises which consume electricity is not achieved solely through the load adjustment described, because this can also be achieved by seeing to it that electrical equipment is consistent with the needed capacity, for example by installing fluorescent lighting instead of bulbs, reducing losses at installations, minimizing water losses in boiler steam, seeing that cold storage premises are airtight, etc.

These and other aspects fall within the power factor, which is also a form of efficient use of electrical energy and thus of saving on fuel.

Returning to the 119 enterprises, as well as the other group involved in the process of experimentation, it can be stated that their testing began during the last quarter of 1981. This past 26 January, a meeting was held at the headquarters of the Ministry of Basic Industry to assign to these enterprises their consumption plans for the year. With the results achieved at these 119 enterprises, it is hoped that these bodies can implement a mechanism for checking on all units, including the smallest.

And the most important thing is that as a result of the serious work done at the enterprises which consume the most, the electrical industry hopes to have saved by the end of the year between 3 and 5 percent of their energy consumption.

Along with this national campaign to save electricity and fuel, in which, as is logical, our Revolutionary Armed Forces are participating, taking steps in this connection, the investment plan for the present 5-year period, covering the thermo-electric facilities to be installed and the expansion of some of those in existence, is being carried out.

Similarly, the studies and plans for what will be our first atomic electric power plant are progressing, since as the commander in chief said in his address on 19 April 1968: "Any country which has a little foresight and is looking toward the future must think of the generation of electric power and begin to think now of producing it on the basis of nuclear energy."

However, pending this development, what he said in 1978, as follows, has special importance at the present time:

"The battle to save electricity is a part of the general battle of the country in the struggle to save fuel."

5157  
CSO: 3010/919

## COLUMNIST VIEWS NATIONAL ENERGY PROBLEMS

Santo Domingo LISTIN DIARIO in Spanish 17 Feb 82 p 6

[Article by Daniel Bodden, chief of Unit Planning for C.D.E.]

[Text] For several months we have followed with interest a wide variety of opinions put forth in turn with regard to the national energy problem. And even though in many instances we disagreed with some of these opinions, we felt it necessary to go over them in passing.

However, recently, some of the views of Dr Pedro Manuel Casals Victoria were published by the press which merit further clarification. Especially since he is a former administrator of the C.D.E. [Dominican Electric Company] who is also the economic advisor to the senate, and by extension very knowledgeable about the problems of this enterprise and of the country.

Our aim is to shed some light on the national energy problem in general, with particular emphasis on the hydroelectric and thermal coal powerhouses.

Before proceeding it is worth clarifying that the basic aim of all public electric companies is to meet demand with maximum efficiency and minimal costs. That is, we have two opposing variables: quality and cost. That is why careful and effective planning are necessary, which take into consideration aspects such as:

Rapid growth of electrical energy demands; long construction periods for the different types of electric plants; and increased operational and investment costs.

Now, our aim as an electric company is to maximize the investment.

As investors we must minimize capital and operational costs during the period in question, guaranteeing satisfaction of the demand.

How to minimize the capital and operational costs is not the purpose of these lines. We only want to indicate that the investments are not made haphazardly or capriciously, but rather by following programs of minimal investment.

And these are calculated with complete scientific precision with the use of sophisticated computer programs.

Each new powerhouse, hydroelectric, thermal or gas, has optimum 1 year, and only 1, to become part of the system, and this is predicated by the energy demand, the earliest year it can be put in service, the cost for the powerhouse, cost of the fuel it uses and the operational and maintenance costs.

According to C.D.E.'s expansion plan--drawn up by the Planning Office with supervision from the French company, SOGELERG--for the period 1982-1992, 18 new hydroelectric projects will go up, as described below in Chart No 1.

The combined total of energy for all these new powerhouses, plus those in existence (561 GWH) equals 2,574 GWH.

For greater clarity we are going to summarize Chart No 1 in No 2, where for the period 1985-1992 we have the sum of all hydroelectric and thermal energy from year to year.

Chart No 1

|      |                          | <u>Installed power<br/>in GWH</u> | <u>Average annual<br/>energy in GWH</u> |
|------|--------------------------|-----------------------------------|---|
| 1985 | Lopez-Angostura          | 18                                | 128                                     |
|      | Los Toros                | 12                                | 63                                      |
|      | Pequenos Proyectos       | 9.6                               | 68.0                                    |
| 1986 | Rio Blanco               | 25                                | 93                                      |
|      | Amina                    | 31                                | 89                                      |
|      | Mao                      | 31                                | 100.3                                   |
|      | Jiquey                   | 39                                | 196.9                                   |
|      | Aguacate-Tavera          | 20.4                              | 128.0                                   |
|      | Redondo-El Salto         | 34                                | 94.4                                    |
|      | Aguas Calientes-Bao      | 36.3                              | 160.9                                   |
| 1987 | Vague del Sur 2          | 7.3                               | 48.7                                    |
| 1988 | Los Negros-Sabaneta      | 21.8                              | 237.2                                   |
|      | Sabaneta-Aguas Calientes | 31.5                              | 237.2                                   |
|      | Manbao-Bejucal           | 8.1                               | 221.6                                   |
| 1989 | Aguacate y Trasvase      | 39.2                              | 230.6 + 32.6                            |
| 1990 | Alto Yuna                | 32.2                              | 101.4                                   |
|      | Artibonito               | 8.0                               | 19.4                                    |
|      | Total                    |                                   | 2013.0                                  |

Chart No 2

This chart lets us demonstrate that even if we were to forget planning and were under the false assumption that we might speed up construction of all the hydroelectric projects anticipated for 1992 so that they could be operational by 1986, there would not be enough to meet the energy demand, estimated at 4,513 GWH for that year.

Therefore a demand of 1,939 GWH would remain, which could only be met by using base thermal plants such as Itabo II.

Chart No 2

| <u>Year</u> | <u>Demand GWH</u> | <u>Hydroelectric (GWH)</u> | <u>Thermal (GWH)</u> |
|-------------|-------------------|----------------------------|----------------------|
| 1985        | 4010              | 913                        | 3097                 |
| 1986        | 4513              | 1683                       | 2830                 |
| 1987        | 5079              | 1731                       | 3348                 |
| 1988        | 5709              | 2190                       | 3519                 |
| 1989        | 6421              | 2453                       | 3968                 |
| 1990        | 7222              | 2574                       | 4648                 |
| 1991        | 8122              | 2574                       | 5568                 |
| 1992        | 9125              | 2574                       | 6551                 |

9730

CSO: 3010/971

**MEXICO, NICARAGUA SIGN AGREEMENT TO CREATE FOOD INDUSTRY**

Managua BARRICADA in Spanish 19 Feb 82 p 5

[Text] Francisco Merino, Mexican minister of agriculture and president of the World Food Council (a UN organization), said that perhaps the cooperation of the Mexican Government is not of great magnitude in the material sense, but it is in the social, inasmuch as it constitutes an example for the entire world, where thousands of persons starve to death daily.

He emphasized the activity of the government and people of Nicaragua since, he said, this joint effort on the part of Nicaragua will be an example for the world.

**The Undertaking Will Solve the Food Problem**

Commander Jaime Wheelock Roman, Minister of agriculture and cattle development, expressed appreciation for the support in the name of the Sandinist National Liberation Front, the Government Junta, and the Nicaraguan people.

The support is implemented within the strategic framework of the Sandinist Revolution in order to develop the country's production of basic foods.

The Sandinist leader gave even greater emphasis to Mexico's solidarity, especially when other countries are threatening Nicaragua with blockades. The Land and Food Production will come under the direct responsibility of the Nicaraguan Government which will contribute 51 percent of the initial capital, while Mexico will contribute the remaining 49 percent.

The Mexican official and Commander Wheelock yesterday talked with members of the National Reconstruction Government Junta, who were informed of the entire cooperation project, which includes a shipment of garden seeds, mixed food seedlings, and the granting of scholarships to Nicaraguan students, through Mexico's Secretariat of Hydraulic Resources.

Pedro Antonio Blandon, vice minister of agriculture and cattle development and director of the National Food Program (PAN), said that he considers it essential to

establish enterprises that will be subsidiary to the Land and Food Production project.

The first stage of the project includes the sowing of 3,300 hectares of rice, which will produce approximately 250,000 quintals of that basic product, equivalent to 12 percent of the national production.

The implementation of the project began with the signing of the protocol by the president of Mexico, Lic. Jose Lopez Portillo, and the Coordinator of the Government Junta, Commander Daniel Ortega, during the visit that the latter made last year to that brother country.

In addition, it marks the formal acceptance of the agreement of the joint food programs of Mexico and Nicaragua, which took place on 5 June 1981.

8255  
CSO: 3010/1030

**UCR LEADER ON PARTY'S POSITION VIS-A-VIS MILITARY**

Rio de Janeiro O GLOBO in Portuguese 26 Feb 82 p 15

[Interview with Raul Alfonsin, leader of the Radical Civic Union, by Paulo Torre in Buenos Aires; date not specified]

[Text] Buenos Aires--"The Multiparty Front is the tool that will channel all efforts by the Argentines to restore democracy." That is what O GLOBO was told by Raul Alfonsin, leader of the Radical Civic Union (UCR), Argentina's second-largest political force.

Alfonsin, 54, a former candidate for president of the republic and a prominent figure in Argentine politics for the past 15 years, was the center of controversy last week after saying that civilians "are not thinking of taking revenge" when they return to power. Some sectors immediately labeled the UCR leader's words "a provocation." He explains his position:

"When someone says there is no thought of revenge, that should be regarded as a positive attitude, and his words should not be distorted by taking them out of their context."

Alfonsin--who was a deputy from 1963 to 1976--feels that the Argentine process of democratization represents a decision by the people, not the military. In the UCR leader's opinion, the military must admit their guilt and also accept their responsibility for the country's problems.

**Interview**

[Question] You recently warned the government of the danger of a social explosion, as have other politicians and union leaders. Does that danger really exist?

[Answer] The Radical Civic Union has been warning for a long time that the regime's economic policy would have serious social consequences because the recession and the drop in purchasing power would result in high unemployment levels in the country. Some people feel that the unemployment level is not very high, saying that the same thing is true in other countries, chiefly in Europe. But they forget that

Europe has unemployment insurance and we don't. Here, an unemployed person is condemned to poverty.

The duty of the politicians is to make an effort to express the people's demands and prevent them from being channeled into forms of action which may overthrow the government but which may also prevent the exercise of a democratic alternative in the future. The Multiparty Front's concern is to set a process in motion with the objective of restoring democracy, rebuilding the economy, and bringing about an indispensable social restoration. We must work to express the outcry of the Argentine people so that the people's demands will be achieved within the framework of democracy and peaceful resistance.

[Question] A few days ago, you said that the civilians are not thinking of taking revenge when they return to power. Your words caused a big controversy, and the newspaper CONVICCIÓN published a front-page article criticizing you. Could you explain exactly what you meant by your words?

[Answer] If we review the situation, we will see that historically, Argentines have not adopted vengeful attitudes. But it is absolutely necessary to understand that there are a great number of demands--of things to be put right. When someone says that there is no thought of revenge, that should be regarded as a positive attitude, and his words cannot be distorted by taking them out of context and making them say something else.

[Question] The issue of missing persons is again the center of concern following the assassination of Ana Maria Martinez, a member of the Socialist Workers Party (PST). Peronist leader Deolindo Bittel feels that the civilians cannot return to power until that issue is resolved. What is your opinion?

[Answer] I consider it necessary that there be a complete explanation of what happened to the missing persons. This situation is a heritage that democracy cannot accept in any way. There can be no repetitions of episodes like the death of Ana Maria, which fill Argentines with pain and make it clear that disregard for basic human rights is continuing.

[Question] Some of those in the opposition comment that one obstacle to the return to power by civilians is the fact that the military fear a "small Nuremberg." What do you think of that?

[Answer] I repeat that no one is thinking of revenge in this country. It is the Argentine people as a whole who will have to decide what to do about this matter.

[Question] What is the outlook for the Argentine process of democratization?

[Answer] That process represents a decision by the people, not the military. The Multiparty Front is the tool that will channel all the country's efforts toward the restoration of democracy.

[Question] Would another obstacle to democratization be the example of 1972, when, according to the military, the then President Alejandro Lanusse precipitately called elections?

[Answer] We must remember that since 1930, when military interference in political life began, the country has been in a process of decline. If the military want to engage in historical analyses and look back, they must also admit their guilt. It is very odd that they should blame everyone but fail to remember that for very long periods, they governed against the will of the people: they were the armed wing of a minority--of a model for social domination.

[Question] Do you feel that the Multiparty Front's strategy of promoting public actions will achieve its objectives?

[Answer] In addition to those actions, we must promote forms of passive resistance.

[Question] You also spoke of something similar to what Gandhi did.

[Answer] That was a metaphorical way of speaking. No one today is going to go on prolonged fasts the way Gandhi did--isn't that true?

[Question] How do you analyze the attempt to form a party in the center with official support?

[Answer] In the center, no: it is on the right--the extreme right. But I consider it laudable that the right is organizing as a party instead of trying to interrupt democratic procedures.

[Question] If there were elections today, who would win?

[Answer] The Radical Civic Union, of course.

[Question] What about the Peronists?

[Answer] They would come in just behind us.

[Question] As a percentage, how many votes would the right win?

[Answer] I don't know for certain. There are many parties. Perhaps 20 percent.

[Question] Basically, what economic policy does the UCR advocate?

[Answer] A policy not very different from that advocated by social democrats. It is probably not possible to find a more progressive government in Argentina than that of Arturo Illia (a member of the UCR) or one that increased the gross product and real wages as much as his did. We believe in the need for the state to plan the economy, although we do not believe in state control. But we cannot allow minority sectors to plan the economy for their own benefit. There must be planning by the state, with democratic consensus, so that all this disaster and appalling corruption will come to an end.

[Question] What basic criticism would you make of the current economic model?

[Answer] I criticize the entire model. This is not a market economy: it is market fascism, because its objective is to reduce wages. As Samuelson very well said,

that can only be done if there is severe repression. The model has resulted in 1.5 million unemployed, it has not solved the problem of inflation, it has wiped out the regional economies, and it has killed the process of industrialization.

While Brazil added more industry during the 5 years that Martinez de Hoz ruled our economy than Argentina had since the turn of the century, the government here devoted itself to destroying industry. While Brazil increased its foreign debt, but did so for the purpose of increasing its gross product, Argentina increased its debt to \$34 billion, and that figure, in proportion to population, is much higher than Brazil's. The government did not increase its debt to carry out infrastructure projects; instead, it did so to finance superfluous imports and finish off our foreign exchange reserves and our possibilities for exports.

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## ABI-ACKEL ADMITS POSSIBLE LOSS OF PDS MAJORITY IN CONGRESS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Mar 82 p 4

[Interview with Ibrahim Abi-Ackel, minister of justice, in Brasilia: "Abi-Ackel Admits Possibility of Losing Majority"; date and name of interviewer not given]

[Text] Brasilia--Justice Minister Ibrahim Abi-Ackel, in an exclusive interview by O ESTADO DE SAO PAULO, confirmed that the government is preparing some initiatives in the political and electoral fields, such as extending the deadline for members of the former PP [Popular Party] and the PMDB [Brazilian Democratic Mobilization Party] to change parties and the easing of operational requirements for minor parties, although ruling out major changes in the Falcao Law. He believes the greatest electoral reform was reestablishment of direct elections for governors and for all senators. He admitted the theoretical possibility of the PDS [Social Democratic Party] losing its absolute majority in the future Congress, saying that if it occurs--which he does not expect--democratically the government will enter agreements and understandings in order to win it back. "These are normal things in a democracy," he said.

Another assertion by the justice minister was that the opposition is dreaming if it thinks it can elect 12, 13 or 14 governors. He refused to discuss the possibility of turning over power in 1984 or of returning to direct elections for president. He objected strenuously to the statement by Senator Humberto Lucena to the effect that opposition candidates for governor are risking the chance of criminal assault. "First he must say who, how, when, where and why..."

The entire interview with the justice minister follows:

[Question] What does the government have in mind with the "political action" initiative it will give priority to from now on to win the November elections?

[Answer] I divide political action into two stages. One consists of mobilizing public opinion for the government and for the PDS, demonstrating what has been accomplished in the administrative, political, economic and social fields in spite of

difficulties. Its direction was indicated by President Joao Figueiredo 2 days ago in Pernambuco. A direct dialogue with the people, inauguration of public works and initiatives, to benefit low-income people especially. Showing what was, what is being and what will be accomplished. The other stage will be up to the party's candidates, after they are chosen, as some already have been. Their responsibility will be concurrent activity within the same objectives.

[Question] What new electoral reforms does the government have in mind?

[Answer] The first substantial reform came when President Joao Figueiredo established the return of direct voting for governors and for all senators. With that amendment the chief executive's promise to make the nation a democracy was largely fulfilled. Of course, much of importance remains to be done, and is being done. Total linkage of votes, for example, was an innovative measure, as a previous characteristic of our legislation was the extreme freedom granted the voter. The Brazilian political universe has been fertile with proposals of an electoral nature, but district voting, increasing the number of deputies, multicandidate slates for governor, elimination of totally linked voting, extension of mandates, reelection of governors, extinction of parties and other suggestions will not be adopted. The government's concern, within a larger context, is to assure existence of several political parties. The multiparty system seems to me to be the only one adaptable to Brazil's social variety. This broader view was not taken by the two major opposition parties which, even to their own detriment, adopted a merger. Although the problem of preserving the multiparty system was already a concern to the government before the merger, it is even more so now. Hence, we are preparing to ease the constitutional requirements for operation of minor parties.

[Question] Isn't the government "playing the part of Tiradentes with the opposition's neck"; in other words, isn't its promotion of the multiparty system intended essentially to divide the opposition?

[Answer] The deceased Popular Party is an as yet unexplained political and literary case. But to a large extent it consisted of deputies who left the ARENA [National Renewal Alliance], the former government party. We used to have 243 federal deputies and we could still have that many, but because we supported the multiparty system we ended up providing the PP with 121 deputies.

[Question] Will the Falcao Law be retained in its major provisions, as is surmised?

[Answer] Much of the importance of fundamental changes in the law regulating free advertising has lost its significance. The demands for its complete overhaul were made at a time when the media were remote from political discussion. Today, however, radio and television stations reach a larger audience when they carry political programs, with debates and interviews. The media are so accessible to politicians that in some states the problem is put in the form of challenges to be met face to face on television. The result is that political debate and discussion have conquered the spoken and televised, as well as the written, press. What must be done now is adapt the law to a more democratic election advertising, less static than the mere mention of names and numbers.

[Question] Any other measures?

[Answer] A few proposals are feasible. Extending the deadline for party transfers by members of the newly merged PP and PMDB to other states, for example.

[Question] The opposition is accusing the government of manipulating the administrative machinery to the advantage of its own candidates, even making charges of corruption at the state level.

[Answer] That criticism shows the opposition doesn't have any new ideas. It is against public works and social initiatives as long as they result in votes for the government. Under the cloak of a false morality it reveals its impotence. It is not an opposition but a group of frustrated office-seekers. But it may be certain that any charges, if they bear a trace of credibility, will be investigated, as opposed to demagogic accusations, which we will be able to identify at their source. Demagoguery carries inherent risks, as does an enlarged photograph.

[Question] Would the government accept loss of its absolute majority in the future Congress without any abrupt reaction?

[Answer] In theory, we could lose our absolute majority. In that case we would march democratically toward agreements and understandings with various groups, a normal thing in a democracy. But in actual practice we are not going to lose it.

[Question] Wouldn't the so-called System do something about it?

[Answer] When President Joao Figueiredo, with the express concurrence of all sectors of his government, chose democracy, of course he was taking a calculated risk and accepting challenges. But the normal consequences of the democratic game can't be painted in catastrophic colors. Much less indulge in this type of speculation.

[Question] As a result of the election of 12, 13 or 14 governors by the opposition, which they say they will elect, what will be the reaction? Could the defeat be absorbed?

[Answer] I don't take the opposition's figures seriously. They must be dreaming. They mean they would like to elect 12, 13 or 14 governors...

[Question] Is it assumed the government would turn over power peaceably in 1984?

[Answer] My analyses extend through November 1982 and I think even that is looking too far ahead. The political process changes very rapidly and so it is more appropriate to think in more immediate terms; 1984 is very far away.

[Question] Could we have direct presidential elections in 1984?

[Answer] That proposal could only be considered if the opposition were to get a majority in the future Congress, acquiring control of future voting. But as I don't think that is likely...

[Question] The Figueiredo government is about to complete its first 3 years. Has it done less than it promised or more than it might have?

[Answer] It did more than was expected of it. Brazil today is literally a different country. It would take up too much time to call the roll of all the Figueiredo government's accomplishments in the political, social, economic and administrative fields. Just note, for example, how Brazilian society has been freed of any and all restriction in the field of expressing ideas, of debate and of setting its own destiny. Public works are being installed that are even larger than others that have led to conflict abroad, such as the Aswan Dam. The world's largest low-cost home-building program is underway here.

[Question] Senator Humberto Lucena, upon assuming leadership of the PMDB, warned his party's gubernatorial candidates to be careful, as attempts will be made on their safety and their lives.

[Answer] I call upon the senator to state the objective reasons for his concern and I will immediately initiate investigations. I remind him that no accusation can be taken seriously if not based upon one or more of the following prerequisites: who, how, where, when and why. I think it is deplorable that on the eve of the 21st century a senator would place the election campaign in the context of a back-lands brawl or a vendetta. I am sure that political violence has never been a habit with us, even in the early days of colonization. We expect a high-level campaign in which problems of concern to the people will be discussed and where the candidates' level of refinement and good breeding will prevail.

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## LIBYAN ENVOY CITES INTEREST IN EXPANDING TRADE RELATIONS

Rio de Janeiro GAZETA MERCANTIL in Portuguese 3 Mar 82 p 3

[Text] Libya's ambassador to Brazil, Abdulatif Bunker, announced yesterday after a meeting with Mines and Energy Minister Cesar Cals that a delegation of investment companies from his country will visit several Brazilian states some time this year, meeting with authorities in order to expand economic and diplomatic relations between the two countries, "which are excellent." According to the diplomat, there is "enormous interest" on the part of his government in increasing bilateral trade.

After stating that Libya is now exporting 38,000 barrels of oil daily to Brazil, Abdulatif Bunker mentioned that experts from the Mineral Resources Prospecting Company are currently conducting exploration in the interior of his country, adding that his government would like to purchase diesel fuel, kerosene and naphtha from Petrobras in 1982, in quantities not yet specified. The Libyans would also like to buy urea and methanol, the ambassador told the EBN [Brazilian News Agency].

He considers the visit made to Tripoli last October by Minister Cesar Cals "an important step in relations between our two nations." He said it has resulted in a visit to Rio de Janeiro by a Libyan mission of experts to tour the plants and facilities of several of the Mines and Energy Ministry's enterprises.

The ambassador is of the opinion that his government intends to call upon Rio Doce Valley Company experts for technical assistance in the Libyan iron and steel complex in addition to procuring more iron ore.

Abdulatif added that Libyan Oil Minister Abdunagib Al Good will also visit Brazil, although preferring to mention that the matter is in the hands of Itamaraty [Brazilian Foreign Affairs Ministry].

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**NAVY MINISTRY MAKING PLANS TO CREATE COAST GUARD**

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Mar 82 p 7

[Text] The Navy General Staff is conducting studies for creating the Coast Guard during the current government's administration for the purpose of suppressing smuggling, combating pollution and effectively patrolling the entire Brazilian coastal area.

A Navy Ministry source said in Brasilia yesterday that the studies will be finished within 1 month and will then be submitted to evaluation by the navy minister, Adm Maximiano da Fonseca who, in talking to President Joao Figueiredo, has demonstrated the project's feasibility and met with its approval.

As soon as the project is approved by the Navy Ministry, with the due support of the Presidency of the Republic, a ministerial commission is to be created to deal with the subject. The commission will include representatives from the Navy Ministry, Interior Ministry, Justice Ministry, Finance Ministry, Agriculture Ministry and Planning Secretariat of the Presidency.

The Coast Guard will be created with funds from the Finance Ministry and the Planning Secretariat, will have an admiral at its head and will have its own officers and technicians trained specifically for their mission.

Assured of funds to carry out the project for creating the Coast Guard--whose estimated investment has not yet been revealed--the Navy General Staff has decided the measure can be initiated.

Although there is a deadline of 30 days for the Navy General Staff to finish its studies, no deadline has yet been set for creating the interministerial commission or for beginning implementation of the project.

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## SCIENTISTS TO ACCOMPANY CHILEAN TEAM TO ANTARCTIC

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Feb 82 p 10

[Text] Porto Alegre--Geologists Fabio Troian, Marco Antonio Hansen and Airama Linn, geographer Jane Pereyron Mocelin and biologist Martin Sander, of the Vale do Rio dos Sinos University (UNISINOS) in Sao Leopoldo, greater Porto Alegre, left the capital of Rio Grande do Sul yesterday on Varig Flight 924 for Santiago de Chile. They comprise the first organized group of Brazilian researchers that will visit the Antarctic. Jane Mocelin said that the trip will be very important for preparation of the first national scientific expedition to the continent, which is scheduled to take place next summer. On Monday, the group will leave Santiago by plane to the Chilean bases in the Antarcite.

The group was invited by the Antarctic Institute of Chile and as of yesterday shortly before taking the plane, they did not know how long they were going to stay. According to Martin Sander, one of the basic aims is to analyze the behavior of materials commonly used in the country in scientific and other equipment. The characteristics of pressure, cold, the absence of humidity and a number of other climatic factors act decisively on the equipment, and the test plus the consultations with the Chilean scientists and those of other countries who are in the area will make it possible to advance the know-how of the Brazilians, which may lead to some adaptations of materials and avoid foreign purchases when the Brazilian expedition goes to the Antarctic.

Brazil needs to go to the region before 1991. That is the expiration date of the period set by the Washington Treaty of 1961 to begin negotiations about who really has rights in the Antarctic. The countries that have not sent at least one expedition by 1991 will automatically be shut out of the negotiating table, and the Antarctic has a practically immeasurable economic and politico-military strategic potential. The pioneer group that left yesterday is going to bring samples of material, bibliography, maps and nonconventional information important for the success of the expedition.

In their baggage, in addition to many presents for the scientists they are going to visit (it is the custom in the Antarctic for visitors to take food, drink, cigarettes and clothing for those who are working there), the researchers took complete sound-movie equipment and five polar suits made in Brazil. The test of those suits is also important. In the Antarctic, the temperature goes down to minus 80 degrees and inadequate clothing can jeopardize the life of the wearer. Four of the suits were made of nylon and donated to the group by the Kalil Sehbe Company of Caxias do Sul. The fifth, which will be used by Jane Moceli, was made out of sheepskin by artisans and donated by the Santa Vitoria do Palmar Cooperative.

**PLANALTO VIEWS REFORMS TO IMPROVE GUBERNATORIAL ELECTION PROSPECTS**

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Mar 82 p 5

[Text] Brasilia--The government expects to elect at least 16 of the 22 governors in November, reversing the favorable expectations of the Brazilian Democratic Movement Party (PMDB), with the creation of a single slate for the senate and the state governments, which would be headed by the candidate for senator, with the abolition of the subslate for senator and mayor and, further, with the postponement until 1986 of the requirements that the parties have to fulfill in order to survive.

These three changes in election legislation are reportedly under study in Planalto Palace, it was learned by the leadership of the Brazilian Labor Party (PTB). The change in the majority election slate would dispense with the presentation of the names of candidates for the state executives, the name of the candidate for senator would suffice for them to be registered in the electoral court.

According to comments, the government has concluded that it has good names to run for the senate but it does not have them for the state governorships. For that reason, it is reportedly studying a practical formula to take advantage of that situation, confronting the new PMDB, so that the vote given to the candidate of a given party for the senate will automatically represent a vote for the candidate to the state governorship of the same slate.

**The Chart**

The Planalto Palace decided to study those changes after receiving from the leaders of its party a chart showing the election possibilities of the government and the opposition in the elections for governors, in which the Social Democratic Party (PDS) appears as the most likely winner in 10 states, the PMDP in 5 and the PTB in 1. In five states, there is a question: Para, Pernambuco, Sao Paulo, Parana and Rio Grande do Sul, in which the authors of the survey believe that the government has prestigious names that could run for the senate and, within the new system of linkage, also "carry" the candidate for governor of the state.

That reasoning indicates the name of the president of the senate, Jarbas Passarinho, as a prestigious name to run for succession and with very good prospects of electing the candidate to the state governorship, under the

new process. In Pernambuco, the name indicated for the senate is reportedly that of the current governor, Marco Maciel; in Sao Paulo it is Paulo Maluf and in Parana, Ney Braga.

In Rio Grande do Sul, the reversal of the expectations would occur with the application of the same system but also with another change still under study.

To reduce the possibilities of the opposition, under the new rules, the government would also be prepared to abolish the subslates for the senate and for mayor. From the outset, that change would create serious problems for accommodation of the now merged forces of the Popular Party (PP) and the PMDB. Many of the internal disputes would be resolved with the use of those subslates, a problem that practically does not exist in the PDS.

Another change considered certain would be postponement until the 1986 elections of compliance with the minimum percentages for survival of the parties, thus enabling the small groups to become viable.

If the government opts for those changes, the PDS would be in a position to win in Acre, Maranhao, Piaui, Ceara, Alagoas, Sergipe, Bahia, Espirito Santo, Santa Catarina and Mato Grosso, in addition to those other five, plus Rondonia, where the governor, of the PDS, will continue in office.

According to the survey, the PMDB could elect governors in Amazonas, Rio Grande do Norte, Paraiba, Goias and Mato Grosso do Sul. The PTB would elect the governor of Rio de Janeiro, while the situation of Minas Gerais, which was unpredictable, became clearer with the adherence of Magalhaes Pinto to the PDS. In that case, he would be the candidate for the senate, increasing to six [presumably meant 16] the number of states in which the government party would win the elections.

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## BRIEFS

SUGAR EXPORT TO USSR--Maceio--The ship of the Greek flag "Kavo Xifias" left the port of Maceio yesterday carrying 32,000 tons of sugar in bulk for the USSR. This one load on one ship was the largest shipment ever made by the Alagoas sugar industry. Paulo Alcofra of the IAA [Sugar and Alcohol Institute] Export Department said that so far this year Brazil has sold 2.8 million tons of raw sugar on the world market. He added that the IAA has no contract with the Soviet Government and sales are made through "transactions houses." He asserted that Brazil is likely to ship 2.4 million tons of sugar, of which 90,000 tons of raw sugar in bulk will be exported by the sugar terminals of Maceio and Recife. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Mar 82 p 32] 8834

CSO: 3001/95

## PACIFIC POLICY FORMS BASIS OF DIPLOMATIC INITIATIVE

Santiago QUE PASA in Spanish 18 Feb 82 pp 48-50

[Article by Lillian Calm]

[Summary] The geopolitical importance of the Pacific has long been recognized, and it has been especially important for Chile. Chile's Pacific policy was finally consolidated in a 1975 document entitled "National Objective of the Government of Chile." There are many reasons why a specific policy was not formulated earlier, including the strong European influence in the 19th and early 20th centuries. Subsequently Chile's foreign policy was directed to other Latin American nations and to the United States. Interest in Pacific nations has recently increased because Chile's current free market economic policy has opened external markets and because the country has had difficulties not only with the socialist world, but also with the United States and with Western Europe. "In effect: as Europe lost importance, so did the Atlantic." To such dissimilar Pacific nations as the United States, the Soviet Union, China, Japan and Australia must be added the ASEAN countries, which are experiencing an economic boom. The new nations created by decolonization are another sign that this is the region of the future.

These realities explain why Chile must "open itself to the Pacific." How should this process be carried out in view of the varied nature of this region? The Pacific itself is the integrating factor, and a new dialog could be established between the distinct types of nation in the region. Many observers think that cooperation and development should be depoliticized because ideology polarizes positions. If Chile established commercial links with the ASEAN countries, Japan and Korea, analysts think that political links would ensue: all are semi-developed free market economies that have experienced a hard struggle against communism. But with China and the Soviet Union, cooperation and development must occur separately from ideology. Chile seems to be on this course. A special Foreign Ministry department for the region has been created. Chile no longer has a defensive foreign policy that just responds to attacks; it is now prepared to carry out a regional policy seeking long term results.

Diplomatic missions have been opened throughout the Pacific region. Chilean representatives in Australia and New Zealand hold concurrent portfolios to seven different island nations, and there are relations with all large Pacific nations except Mexico, the Soviet Union, Vietnam and other Soviet satellites.

Chile has been active in regional forums, it has contributed to the South Pacific Commission and has offered technical assistance to the Pacific island states. Chilean representatives participate in regional cultural and academic events and visits, especially through the University of Chile's International Studies Institute, directed by Francisco Orrego, who recently became a member of the Research Council of the Pacific Forum. In short, there is a Pacific Project to develop a Chilean presence in the region. The Confederation of Production and Marketing plans a conference on the economy of the region for 1983 with the cosponsorship of the Pacific Basin Economic Council. New Pacific shipping lines are expected to lower freight costs. All previous attempts to form a Pacific Community have consisted of cooperation between the United States and Pacific nations, but have neglected Latin American nations because our continent has lacked interest in those countries.

Chile's province of Easter Island is a natural springboard to the Pacific region which should be developed, and its links to the rest of the country should be strengthened. A recent article in PACIFIC ISLANDS magazine that criticized Chile's "authoritarian government" of Easter Island at least shows that Chilean presence in the Pacific is getting international attention. Moreover, a feasibility study for an Easter Island passenger and freight terminal has been completed, and the airport has been modernized. These internal efforts parallel the diplomatic offensive. Chile will participate in an upcoming meeting in Bangkok where the creation of a Pacific Community will be discussed. The Foreign Ministry is also considering the promotion of a Conference on Latin America and the Pacific.

CSO: 3010/1074

**AUTOMOBILE INDUSTRY SEEKS GOVERNMENT ASSISTANCE**

Bogota EL TIEMPO in Spanish 3 Mar 82 p 1-D

[Text] The Colombian automobile industry, plagued by a difficult situation, demanded that the government adopt urgent corrective measures to permit production increases both in automobiles and in parts and pieces for these vehicles.

The difficulties affecting the automobile industry were revealed to EL TIEMPO by the Automotor Committee, which coordinates the Colombian Metal Industries Federation, and by ACOLFA, the Colombian Association of Auto Parts Manufacturers.

In effect, according to statistics by this organization, national vehicle production declined from 48,677 units in 1979 to 35,558 in 1981, a figure below that of 1974 (36,195), and which represents a decline of 27 percent in just 2 years. In the meantime, according to the same source, vehicle imports grew by 45 percent from 1979 to 1980, and fell off by only 6.6 percent the following year, which makes an increase of 35.4 percent in the last 2 years.

Statistics by the Automotor Committee (which includes assembly plants and auto parts manufacturers) show that in 1980 domestic vehicles made up 58.6 percent of the Colombian market, and the portion of imports rose to 41.4 percent. In 1981, the portion of domestic vehicles fell to 50.8 percent, whereas that of imported vehicles rose to 49.2 percent.

Under these circumstances, the utilized capacity of assembly plants remains well below suitable levels: Sofasa (Renault), 35 percent, Colombian Automotive Company, 49 percent; and Colmotores, 23 percent (this company produced no automobiles in 1981).

Faces with this situation, which is taking on crisis characteristics in this sector, the vehicle assembly plants and the auto parts manufacturers agree in formulating the following demands on government:

--Limit vehicle imports and increase the base price for those vehicles that can be imported (for the last 2 years it has been fixed at \$5,000, and it is requested that it be raised to at least \$7,500).

--Define the assembly of campers. Meanwhile, permit said assembly in any existing plant.

--Limit the importation of trucks manufactured in the country. The imports do not meet the requirements of our highway capacity.

--Also require the importer to import spare parts equivalent to 20 percent of the vehicle's FOB price in order to guarantee the repair of the automobiles. And require of them, as of the assembly plants, that they export domestically produced parts.

--Concede to the terminal plants the same 60-month repayment term for the importation of CKD packets destined for taxi production (the same term being given to the Transport Financial Corporation for the importation of armed vehicles.

--Suspend the importation of armed vehicles into the duty-free zones, and also apply the 150 percent tariff and the 35 percent sales tax (they now pay only 110 percent and 15 percent, respectively) to those vehicles classified as "other campers" in the customs list.

In regard to official purchases, the sector asks the government to stop discriminating against the domestic industry in the acquisition of vehicles. As an example it cites the recent case of a National Police auction where there was no possibility to purchase domestic vehicles, since it required engines with a minimum of six cylinders and a cylinder volume of 1,800 cubic centimeters, which are not built in Colombia.

The auto parts industry, in turn, also complains that in the last 10 years it has only increased its production at the same rate as the increase in assembled units, and there has been no actual increase in national integration.

The sector reminds that for some time it has been considering the need to outline a general automotive policy oriented toward the future, and it expresses the hope that government authorities will soon convoke the committee charged with developing the guidance plan, whose foundation was approved by the Nat National Economic and Social Policy Council.

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CSO: 3010/1020

## GARCIA MARQUEZ COMMENTS ON CARIBBEAN INITIATIVE

Bogota EL ESPECTADOR in Spanish 28 Feb 82 p 2-A

[Column by Gabriel Garcia Marquez: "The Phantom for Progress"]

[Text] On 13 March 1961 the U.S. president, John F. Kennedy, gathered together in the White House the members of Congress and the diplomatic corps of the Latin American countries in order to launch a spectacular project. He called it the Alliance for Progress, and it was composed of 10 points which pretended to resolve the unfathomable economic, political and social drama of Latin America within a decade, not so much out of compassion in the face of secular injustices, but as an emergency plaster to block the new winds of the Cuban revolution. The excessive magnitude of the project was summarized in that speech by President Kennedy, whose prophetic inspiration had no reason to envy the Old Testament.

That historic day I was in the White House in my capacity as press correspondent, and I could not help recalling that day once again and more forcefully last 24 February, as I listened to President Reagan's speech before the OAS.

The similarity of the two speeches separated by 20 years is surprising, especially in confirming--once again--that history is repeated only in comedy. President Kennedy, young and elegant, read his speech with a youthful Harvard accent. President Reagan, chewing his California rancher's accent, recited the 10 pages that he clutched in his hand without stumbling even once, and without even a single modest glance at the pages. But it was not an improvisation. Several hours earlier a copy of the speech had been distributed to the press agencies, and they were authorized to transmit the most resonant paragraphs to their clients throughout the world.

The exact correspondence between the written lines and the lines spoken by President Reagan could only be explained as a feat in his endless career as an actor: He had memorized a speech of almost 3,000 words. And not only did he repeat it without stumbling, but he was able to give it the emphasis and

even the tonal qualities of doubt present in an improvisation. I do not mean that as criticism, but on the contrary, in recognition of a nearly embalmed old man who, nevertheless, was capable of such scholastic adventures.

The Alliance for Progress was conceived as a social development program in opposition to Soviet expansion in Latin America. Kennedy said this: "In this moment of maximum opportunity we face the same forces that have endangered America throughout history, the alien forces who once again think to impose the despotism of the Old World on the Peoples of the New World." Reagan, as though time were running out for him, said: "If we do not act urgently and decisively in defense of liberty, new Cubas will arise out of the ruins of conflicts present right now in the zone, and we will find ourselves faced with regimes that are incompetent, totalitarian, exporters of subversion and militarily linked with the Soviet Union." Both presidents beat their breasts on account of the errors of their ancestors. "Permit me above all to admit," said Kennedy, "that we in North America have not always understood the meaning of this common mission." Reagan, for his part, said: "We have not always met these ideals; at certain moments in our history we have been politically weak; we have been economically backward, socially unjust or incapable of solving our problems through peaceful means." Kennedy, moved by the struggle of the Latin American countries, called us "compatriots."

Reagan was more distant: "At this time my country is ready to be more than just a good neighbor, that is to say, to be a friend and a brother." Kennedy quoted Juraez: "Democracy is the destiny of future humanity." But he did not quote another of his phrases that would also have been suitable: "Peace is respect for the rights of others."

Reagan, with an admirable cynicism, quoted Jose Marti: "Humanity is composed of two types of men, those that love and create, and those that hate and destroy." But he did not give another quote that would have better defined the ideology of Jose Marti in relation to the United States: "I lived in the monster and I know its bowels, and my sling is that of David."

In concluding, Kennedy expressed his hope that Cuba "would join the society of free men, uniting with us in a common effort." Reagan, no doubt thinking about Cuba and possibly Nicaragua, said that some Latin American countries have isolated themselves from their Latin American neighbors and from their own heritage. "Let them return to the traditions and common ideals of this hemisphere," he said, "and we will all receive them with open arms."

There are too many similarities to be chance. And they are disheartening as well. In effect, the Alliance for Progress was to be founded with an investment of \$500 million for the social development of all Latin American countries. President Reagan's program foresees a \$350 million investment for the countries of Central America and the Caribbean. That is a ridiculous sum in

today's world, hardly enough to alleviate the Haitian infant mortality, one of the most dramatic in the world. The fact that the project is directed to the sector of the continent considered by the United States to be most threatened by Soviet expansion is also very significant: The gorillas of the Southern Cone can sleep in peace.

The only surprise in President Reagan's speech was the change in his boastful old cowboy style and the evangelical image even more like that of President Kennedy. But this is no reason for us to stop worrying. Quite the contrary. Scarcely a month after proclaiming the Alliance for Progress, President Kennedy himself authorized the Bay of Pigs landing, and hardly a year later he imposed on Cuba the blockade that five consecutive presidents have maintained without the least sign of pity or lucidity. Nevertheless, in order to glimpse what President Reagan's project will be after 20 years, it is sufficient to reread the fundamental paragraph of President Kennedy's speech: "If we are successful," says the paragraph, "if we are audacious and resolved in our efforts, the end of this decade--that is to say, at the end of the 1960's--will mark the beginning of a new era in the American experience. The living standard for all of the American family of nations will rise, basic education will be available for all, hunger will be a forgotten experience, the necessity for massive foreign aid will have passed, the majority of the nations will enter a period of development with their own resources, and although there may still be much to do, all of the American republics will be owners of their own hopes and progress." One must believe that if President Kennedy, instead of falling victim to an infamous bullet, had survived to see that decade of his dreams--that ended 11 years ago--perhaps he would have enough of a sense of humor to die laughing from his own delirious horoscope.

9746  
CSO: 3010/1020

## EXPERIENCES OF YOUNG AIR FORCE PILOT REPORTED

Havana VERDE OLIVO in Spanish 11 Feb 82 pp 38-39

[Article by Juan Valdes Figueroa, from the DAAFAR [Antiaircraft Defense and Revolutionary Air Force] newspaper SIEMPRE ALERTA]

[Text] That child who lived near the airport, on hearing the deafening noise of a plane ready to take off, searched the skies with his restless eyes, and his childish expression became serious and full of emotion for a reason which he did not understand then. His steady gaze awaited the appearance of the plane, and when it flew over, he studied it and joined it in flight in his dreams. In primary school, he devoted his free time in feverishly impassioned participation in the interesting activities of a model plane club, and in copying information about aviation.

A vocation was taking shape within him, and the contours of his vague childish dreams gradually became clearer. At the same time, another focus of devotion had been taking shape in Amado Fonseca Fonseca since he reached the age of reason. The child of working parents, he was a receptive witness to the attitude of his family toward the threats and acts of aggression by the imperialists in the historic 1960's. When the revolution triumphed he was 4, at the time of the Giron invasion he was 6, and in the tense days and nights of the October crisis he was 8. Therefore, he began his adolescence at the Camilo Cienfuegos Military School with the clearly defined goal of becoming a combat pilot.

"626 cleared for takeoff!"

In his pursuit plane, First Lieutenant Amado Fonseca Fonseca climbed into the dark heavens and executed the complex night flight maneuvers planned. He returned safely and prepared for his second take-off. Starting up, taxiing, all of the normal reports, and the roaring MIG rose again at his command to pursue its assignment of flight, interception and descent by instrument. From the ground, the fiery burst from his jet engine could be seen receding until the lights winked out in the distance.

Amado was now 120 km from the airport and he was preparing to make the first turn in his flight pattern when, inexplicably, all of the lights in the cockpit dimmed. "What is happening?" the unprecedented electrical failure caused Amado to ask. The

already feeble light on the instrument panel was waning steadily with every passing moment. After 8 seconds, the cockpit was in complete darkness. The autopilot had ceased to function and the controls of the airplane were becoming sluggish due to the lack of electric power. Immediately the pilot tried to talk to personnel on the ground, but this was useless. The majority of the systems in a modern aircraft are electrical, and his--unprecedented occurrence--were without power!

He continued to travel at high speed over the dark ocean, unable to distinguish the horizon line in the black, moonless night. "I must calm myself," ran through his head. He took out a flashlight and immediately checked the electrical system switches, all of which were in proper position. "Probably a short circuit," he thought. "Mightn't fire break out on board?" He glanced furtively at the periscope [as published], but it yielded no information either, and doubts began to arise. He brought his nerves under control. "I'm going to have to return to the coast in order to jump," he decided finally.

The coastline approached beneath his wings. Amado analyzed the developing situation rapidly. "What if I could save the plane?" he wondered, and suddenly the spark of a bold new idea dawned. With the beam of his flashlight he found the compass. It was not functioning! "Obviously, it is electric...." So he glanced down. Thousands of little lights twinkled in the darkness. Houses, villages, many people, none of whom even suspected what was happening several kilometers above them. In the darkness in which he was plunged, he had spread below him the land dotted with little lights--it was his fatherland, over which he had made combat training flights so many times!

Visually, he directed the nose of his airplane toward a given point. First of all, he headed away from the maneuvers area in order to avoid a collision with one of the other planes in the squadron. Then, with extreme caution, he approached the landing field area, descending to the emergency altitude and entering the traffic zone of the airport. "I cannot talk to the ground personnel, so they do not know what I intend to do," he thought, and then he made a decision.

He circled several times as if he intended to land, and after the fourth time, he dropped down to the approach pattern at 400 meters, but there was no authorizing signal. He returned to the circling pattern and flew over the runway again, this time at an altitude of 300 meters. Amado was beginning to have doubts about how much fuel he might have left. Since the fuel gauge was not functioning, he might have an unpleasant surprise at any moment!

At that moment, First Lieutenant Cesar Munoz was in his airplane at the end of the runway ready to take off. The flight controller did not clear him. "Something is happening," Amado's friend on the ground realized.

As Amado approached for the third time, the runway lights came on. Finally, the signal! The main landing gear system was electric, so Amado tried the emergency lever. A slight familiar trembling told him that the control was responding, and as confirmation, the green lights on the airfield came on.

For the fourth and final time, he headed for the runway. He knew that neither the flaps nor the dive brakes nor the automatic brake release nor the braking parachutes would function. As he descended he maintained greater speed than normal so that the plane would not stall, since he could not maneuver the flaps. Moreover, with

less braking capacity he landed "short" in order to "target" the runway. As soon as his wheels touched the concrete apron, he dropped the nose of the plane, and making a supreme effort to "keep his cool," he began to fight the plane as if it were a bucking horse, continuing to maneuver the braking until he came to a stop at the other end of the runway. Exactly enough room!

Amado gazed through the darkness, trying to glimpse the tongues of any possible flame. He saw none, but just in case, he taxied the plane away from the others, to a place at a distance from the flight line. He killed the engine and breathed deep as he lifted the canopy. With deep happiness, he saw his running comrade, the ambulance, the crash wagon and the fire engine moving toward him. Then a sense of emotional satisfaction, of duty completed, swept over him.

"At this conference, we wish to make special mention of the act of courage and skill by UJC [Union of Young Communists] and combat pilot First Lieutenant Amado Fonseca Fonseca during a night training flight, when his plane lost electrical power and he made a landing in an emergency situation, saving his life and his airplane, demonstrating mastery of a pilot's skills and great initiative, after losing all contact with commanders and flight controllers...."

Loud applause interrupted the reading of the central report at the UJC conference of the large unit. And some hours later, the applause was repeated when Amado was elected to serve as a delegate to the UJC conference of the DAAFAR. It was as if with this evidence of their approval, the combatants gathered together in that theater were saying: "Watch out for such young men, imperialist Yankees!"

For he had no compass to guide him in the dark night space more than 100 km from the airfield, but there was a second compass he did not lack--that of the combatant's valor and courage, that of the mastery and iron will of the revolutionary pilot, that of the firm conviction of the young communist determined to risk his life in order to safeguard powerful defense equipment in case one day the imperialists should be so demented as to attack us.

5157

CSO: 3010/919

## CEN DIRECTOR REPORTS ON NEW QUALITY PRODUCTS

Havana TRABAJADORES in Spanish 4 Feb 82 p 2

[Article by Nancy Robinson Calvet: "Informative Talk with Engineer Alcides Erice, Director of Quality Certification of the State Committee for Standardization"]

[Text] Since July 1981 when the bar of corrugated steel for reinforced concrete, produced by the Jose Marti iron-and-steel plant, received the first state quality logo, the growth of this activity has attracted special interest. By the close of 1981 this effort had involved 102 certified products among which 93 have received the valued rating of superior.

Among the certified products 75 emanate from the Ministry of Food Industry of which 66 secured the state quality logo, 22 originating from the Ministry of Light Industry got the superior quality certification, and the same goes for four products manufactured in the plants of the Ministry of the Steelworking Industry and one produced by the National Institute for Sports, Physical Education, and Recreation.

In order to explore such an interesting topic we had a talk with engineer Alcides Erice, director of quality certification of the State Committee for Standardization, who noted that since 1979 all the technical documents relating to standardization which regulate this process have been in preparation even though implementation actually began in May 1981 following approval of the regulations governing the State Certification Committees and the state quality logo by the Council of Ministers' executive committee.

What is involved in the certification process?

"What is involved is a comparison of the quality indexes of Cuba's industrial products with the quality indexes of prestigious products recognized in the world market," Alcides Erice answered.

He went on to explain that certification may be granted for a maximum period of 2 years to mass consumer items and for 3 years to products for technical-industrial use.

Alcides Erice also added that the indexes will be systematically checked by those evaluating products in order to determine whether the latter retain the characteristics for which they were granted the state quality logo.

After this lapse of time, engineer Alcides Erice noted, the State Certification Committee meets again and the product is evaluated once more. Later he stressed: "We have to move ahead in pace with improvement of quality in the world, for otherwise we would be left behind."

#### Probing Deeper Into the Matter

After stating that the major goal of certification is to categorize the level of our industrial products and in turn to promote the raising of our products' quality level as well as to grant the state quality logo which is also the goal of this effort, engineer Erice referred to the results that can flow from this process.

Certification can lead to three alternatives or categories as follows:

The first quality category applies where the quality indexes of the product correspond to the needs and possibilities of our national economy. The second category refers to those products whose indexes do not correspond to the needs and possibilities of our national economy and thus will have to be replaced or updated.

Finally, Alcides Erice referred to the superior quality category, the one evidenced by the state quality logo and whose quality indexes parallel or are superior to the indexes of products of recognized prestige in the international market. This category is also assigned to national products whose indexes are significantly superior to the national average and provided they are comparable with international averages.

Almost word for word he repeated that the essence of this activity is to provide incentive for and promote the increase in the quality of our products in a planned manner.

#### From the Hands of Workers to Those of Consumers

"Quality is produced and is improved at the hands of the workers," Alcides Erice asserted. Elaborating on the topic he added: "Quality has two components: One is objective and is related to material resources while the other is subjective, concerns good work, is connected with doing things well, that is, with the maximum exploitation of resources."

In this connection he alluded to the experiences of the socialist countries and their adaptation to our current situation.

Likewise, it means that three stages are involved in quality the first of which is the design followed by the production process and concluded at the post-production stage (storage, final distribution and delivery to the consumer himself). "The final destination is very important. We must all help to preserve quality up to the time that the consumer has the product in his hands."

A little later Alcides Erice broached the topic of products of ours which, because of their superior quality, it is necessary to export with a view to balancing the national budget and at the same time securing foreign exchange to be used in our development and the raising of our people's standard of living.

#### Concerning the State Certification Committees

The State Certification Committees are the organs charged with presenting to the CEN the suggested category of a product.

Erice pointed out that it is the CEN which is responsible for approving the proposal relating to the conferral of a category. He later added: "They are temporary committees which are decommissioned once a proposed category is approved by them. The committees are made up of highly specialized experts from the various organizations and agencies involved with a given product."

In 1981, 19 state certification committees met. These were the ones charged with making category proposals regarding 102 products of which 93 were granted the state quality logo.

The experts who are members of these committees originate from the following agencies: SIME [Ministry of the Steelworking Industry], MINAL [Ministry of the Food Industry], MINIL [Ministry of Light Industry], INDER [National Institute for Sports, Physical Education, and Recreation], MES [Ministry of Higher Education], MINSAP [Ministry of Public Health], MINCEX [Ministry of Foreign Trade], CNEE, INTUR [National Tourist Institute], MINCIN [Ministry of Domestic Trade], MINFAR [Ministry of the Revolutionary Armed Forces], ACC [Academy of Sciences of Cuba], MINAZ [Ministry of the Sugar Industry], CEN [State Committee for Standardization], JUCEPLAN [Central Planning Board], MINAG [Ministry of Agriculture], MICON [Ministry of Construction], CEATM [State Committee for Technical and Material Supply], agencies of the people's government, MINBAS [Ministry of Basic Industry], and MINCOM [Ministry of Communications].

Also participating in these committees in 1981 were the CTC [Central Organization of Cuban Trade Unions], the national unions of the chemical-mining-energy workers, of the tobacco, food, culture, and light industries, and the FMC [Federation of Cuban Women].

Also bringing their experience and dedication to such an important endeavor were representatives of scientific research organizations such as the Cuban Institute for Sugar Byproducts Research, the National Scientific Research Center, the Electric-Energy Research Center, the Food Industry Research Institute, the Metallurgical Research Center, the Construction Research Center of MINFAR, the National Food Inspection and Control Center, the Light Industry Research and Inspection Laboratory, and the National Industrial Design Office.

#### Compared with the Best in the World

At another point in our talk Erice noted: "It is desirable that our people know that our Coppelia ice cream is among the best in the world."

Similarly when he mentioned the tests undertaken for the 12-liter Crisolex plastic bucket Alcides Erice said: "We were able to prove that this bucket could be thrown from a height of 2 meters without damage."

It is really gratifying to find that cosmetics produced at the Suchel soap and perfumes plant of the Ministry of Light Industry whose workers are members of the chemical-mining-energy union can be rated as among the best in the world, which demonstrates the concern of our socialist state to offer top products to our women.

For example, the Cirene moisturizing cream now being sold in Cuban stores was successful in a rigorous test against products by such well-known brands as Max Factor and Revlon of the United States, Oriane and Coty of France, and Gerovita of Romania.

The same was true of the Cirene eye makeup whose quality indexes matched those of similar products made by Max Factor (United States) and Lancome and Coty (France).

Another interesting fact emerged when we noted who were the competitors of Cuba's Fantasia lotion: From France, Calandre (Paco Rabane), Follies Bergeres and Dior Dior [sic] (Christian Dior), and L'Air du Temps (Nina Ricci); from Spain, Amazona (Hermes) and Zarabanda; from the Soviet Union, Red Moscow (New Dawn); and from Poland, Gacela and Sawa (Pollena).

#### Which Products Are Exempt from Certification?

Products which are the subject of certification will be selected on the basis of their economic and social importance even though gradually certification may be granted to all industrial products. However, there are some items which will not be the subject of certification.

These include products which are not processed industrially (oil, natural gas, minerals, and others), electric and thermal energy products, industrial products to meet individual demand that is not economically significant, and industrial products in the process of modernization or replacement.

Also exempt from the need for certification are spare parts and auxiliary products for industrial goods being phased out, products of industrial plants involved in repairs, drugs, book production, objects d'art, jewelry, handicrafts, samples, or experimental products.

#### Short Conclusion

All the effort to which we have referred here and whose stages engineer Alcides Erice, director of quality certification of the CEN, explained in detail evidences that such activity constitutes a firm and secure step toward the raising of quality and at the same time testifies as to how the perennial slogan of the unforgettable Ernesto "Che" Guevara is implemented in practice: "Quality means respect for the people."

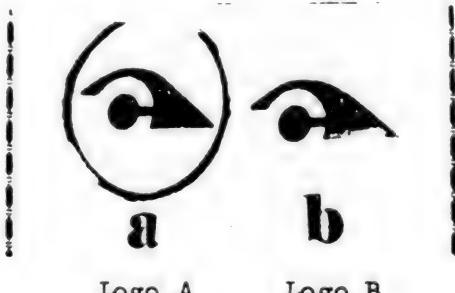
It is now up to our workers to demand from their own selves that they be better in their production functions because basically it depends on them that a larger number of Cuban products should display with pride the category emblem of the state quality logo.

#### State Quality Logo

The state quality logo is a symbol whose use is authorized by the State Committee for Standardization and which indicates the high-quality level of a product. [There are two such logos:]

A. The state quality logo for superior quality products whose quality indexes are higher or equal to the qualitative indexes of the best competing products in the international market. As will be observed, this logo has a rim or loop around it.

B. The state quality logo for products of superior category whose qualitative indexes are significantly higher than the average quality indexes of similar products existing in the domestic market and are comparable with average international levels.



**102 Products Which Received Quality Certification in 1981**

| <u>Product</u>  | <u>Producing enterprise</u>  | <u>Registered categories</u> |
|---|--|------------------------------|
|   |  | A    B <u>lst</u>            |
| 1. Corrugated steel bar for reinforced concrete       | Jose Marti Iron-and-Steel Plant  | X                            |
| 2. Taoro mango nectar                                 | Havana Preserves and Vegetable Plant                                   | X                            |
| 3. Zun-zun grapefruit juice                           | Isle de la Juventud Citrus Fruit Complex                               | X                            |
| 4. Batos No 2 baseballs<br>Coppelia special ice cream | Sports Industry Enterprise<br>Havana Metropolitan Ice Cream Enterprise | X                            |
| 5. Vanilla  | "  | X                            |
| 6. Chocolate  | "  | X                            |
| 7. French ice cream                                   | "  | X                            |
| 8. Caramel  | "  | X                            |
| 9. Coffee   | "  | X                            |
| 10. Brandy  | "  | X                            |
| 11. Coconut   | "  | X                            |
| 12. Chocolate ripple                                  | "  | X                            |
| 13. Strawberry ripple                                 | "  | X                            |
| 14. Chocolate chip vanilla                            | "  | X                            |
| 15. Chocolate-almond                                  | "  | X                            |
| 16. Chocolate-Malt                                    | "  | X                            |
| 17. Strawberry-pineapple                              | "  | X                            |
| 18. Chocolate-mint                                    | "  | X                            |
| 19. Strawberry  | "  | X                            |
| 20. Banana  | "  | X                            |
| 21. Mango   | "  | X                            |
| 22. Glaced pineapple                                  | "  | X                            |
| 23. Guava   | "  | X                            |
| 24. Mint chip   | "  | X                            |
| 25. Malt  | "  | X                            |
| 26. Orange  | "  | X                            |
| 27. Almond  | "  | X                            |
| 28. Orange-pineapple                                  | "  | X                            |
| 29. Coconut almond                                    | "  | X                            |
| 30. La Conchita guava slices                          | La Conchita Preserves and Vegetable Enterprise                         | X                            |

| <u>Product</u>        | <u>Producing enterprise</u>        | <u>Registered categories</u> |
|-----------------------|------------------------------------|------------------------------|
|                       |                                    | <u>A</u> <u>B</u> <u>1st</u> |
| Cheese                |                                    |                              |
| 31. Gouda             | Havana Dairy Complex               | X                            |
| 32. Swiss             | "                                  | X                            |
| 33. Gorgonzola        | Havana Dairy Products Enterprise   | X                            |
| 34. Cottage cheese    | "                                  | X                            |
| 35. Fontina           | "                                  | X                            |
| 36. Gouda             | "                                  | X                            |
| 37. Swiss             | "                                  | X                            |
| 38. Toponovo          | "                                  | X                            |
| 39. Gruyere           | "                                  | X                            |
| 40. Sbrinz            | "                                  | X                            |
| 41. Sanso c/c         | "                                  | X                            |
| 42. Grana             | "                                  | X                            |
| 43. Granita           | "                                  | X                            |
| 44. Cuban blue cheese | "                                  | X                            |
| 45. Brood Kaas        | "                                  | X                            |
| 46. Dambo             | "                                  | X                            |
| 47. Camembert         | "                                  | X                            |
| 48. Lunch             | "                                  | X                            |
| 49. Pigmee            | Escambray Daily Complex            | X                            |
| 50. Gouda             | "                                  | X                            |
| 51. Gruyere           | "                                  | X                            |
| 52. Sbrinz            | "                                  | X                            |
| 53. Emmental          | "                                  | X                            |
| 54. Grana             | "                                  | X                            |
| 55. Cuban blue cheese | "                                  | X                            |
| 56. Gorgonzola        | "                                  | X                            |
| 57. Guaicanamar       | "                                  | X                            |
| 58. Brood Kaas        | "                                  | X                            |
| 59. Dambo             | "                                  | X                            |
| 60. Camembert         | "                                  | X                            |
| 61. Carre de l'Est    | "                                  | X                            |
| 62. Fontina           | "                                  | X                            |
| 63. Salome            | "                                  | X                            |
| 64. Patagras          | Camaguey Dairy Products Enterprise | X                            |

| <u>Product</u>           | <u>Producing enterprise</u>  | <u>Registered categories</u> |          |            |
|--------------------------|--|------------------------------|----------|------------|
|                          |  | <u>A</u>                     | <u>B</u> | <u>1st</u> |
| Beer                     |  |                              |          |            |
| 65. Polar 12%            | (This beer was also compared with the national average and Polar 12% special) (Lab.USA 1959) | Miguel A. Oramas Enterprise  |          | X          |
| 66. Polar 15%            |  |                              |          | X          |
| 67. Hatuey 12%           | (This beer was also compared with the national average and Polar 12%) (Lab.USA 1959)         | Guido Peres Enterprise       |          | X          |
| 68. Hatuey 15%           | "  |                              | X        |            |
| 69. Hatuey 18%           | "  |                              | X        |            |
| 70. Vienesa Tropical 13% | Pedro Marrero Enterprise   |                              | X        |            |
| 71. Cristal 15%          | "  |                              |          | X          |
| 72. Tropical 16%         | "  |                              | X        |            |
|                          | (Wolf Head brand)  |                              |          |            |
| Toothpaste               |  |                              |          |            |
| 73. Cascabel             | Suchel Soap and Perfumes Enterprise  |                              | X        |            |
| 74. Dentex               | (For indirect reference fluoridated tooth-pastes were used)                                  | "                            |          | X          |
| Cohiba tobacco           |  |                              |          |            |
| 75. Lancer type          | El Laguito Torcido Tobacco Enterprise  |                              | X        |            |
| 76. Coronas type         | "  |                              | X        |            |
| 77. Panetella type       | "  |                              | X        |            |
| 78. Exquisito rum        | Santa Cruz Liquor Complex  |                              | X        |            |

| <u>Product</u>                             | <u>Producing enterprise</u>  | <u>Registered categories</u> |          |            |
|--|--|------------------------------|----------|------------|
|  |  | <u>A</u>                     | <u>B</u> | <u>1st</u> |
| Casino hose                                |  |                              |          |            |
| 79. Children's                             | Havana Hose Enterprise   | X                            |          |            |
| 80. Men's                                  | "  | X                            |          |            |
| 81. Vanesa panty hose                      | Modistura Enterprise   | X                            |          |            |
| 82. Diss detergent                         | Suchel Soap and Perfumes<br>Enterprise                                 | X                            |          |            |
| 83. Robot detergent                        | "  | X                            |          |            |
| 84. Bebyto infants' soap                   | "  | X                            |          |            |
| 85. 95% pure glycerine                     | "  | X                            |          |            |
| 86. Crisolex 12-liter<br>plastic bucket    | Cuban Plastics Enterprise  | X                            |          |            |
| 87. Kupres 6-cup espresso<br>coffee-maker  | First of May Einpud  | X                            |          |            |
| 88. Kupres 3-cup espresso<br>coffee-maker  | "  | X                            |          |            |
| 89. Cirene nutrient<br>face cream          | Suchel Soap and Perfumes<br>Enterprise                                 | X                            |          |            |
| 90. Cirene moisturizing<br>cream           | "  | X                            |          |            |
| 91. Cirene eye makeup                      | "  | X                            |          |            |
| 92. Cirene cold cream                      | "  | X                            |          |            |
| 93. Fantasia powder<br>eye shadow          | "  | X                            |          |            |
| 94. Fantasia lotion                        | "  | X                            |          |            |
| 95. Fantasia powder rouge                  | "  | X                            |          |            |
| 96. Fantasia lipstick                      | "  | X                            |          |            |
| 97. Violet petal lotion                    | "  | X                            |          |            |
| 98. Linda toilet water                     | "  | X                            |          |            |
| 99. Diamante Negro essence                 | "  | X                            |          |            |
| 100. Fantasia essence                      | "  | X                            |          |            |
| 101. High Dry Havana Club rum              | Santa Cruz Liquor Complex  | X                            |          |            |
| 102. E2C Eleka 1EC circular<br>copper wire | Conrado Benitez Electric<br>and Telephone Wire and<br>Cable Enterprise | X                            |          |            |

PHOTO CAPTION

1. p 2. The first Cuban product which displays the state quality logo on its drum is 95 percent pure refined glycerine. This item, produced by the Suchel plant of the Ministry of Light Industry, was compared with the quality of corresponding products made in Spain, Poland, Czechoslovakia, Mexico and the Soviet Union.

2662

CSO: 3010/1011

## MISTREATMENT OF HAITIAN REFUGEES CHARGED

Havana TRABAJADORES in Spanish 8 Jan 82 p 5

Commentary by Carlos Mora Hernandez

[Text] The plight of the Haitian people, who for 25 years have been subjected to the most cruel dictatorships on the continent, has awakened a strong current of solidarity throughout the world.

Victims of inhuman exploitation, sold like animals to work on sugar, rice, and cotton plantations in the Dominican Republic, persecuted and murdered, the Haitians are fleeing their country in search of protection and help, and they are doing it in fragile boats which offer no guarantee of survival and many of which are shipwrecked.

Some succeed in reaching the coast of Florida, but the U.S. Government denies them political refugee status and, with cynical cruelty, returns them to Haiti, where prison and death at the hands of the Duvalier regime's paid assassins awaits them, or sends them to American and Puerto Rican concentration camps. Haiti, which was the first Black republic on the continent--a republic proclaimed by Toussaint Louverture more than 180 years ago--freed itself from French colonialism in the last century only to fall into the hands of American imperialism, which occupied it militarily from 1915 to 1934 and installed the Duvalier family in power, first the father, Francois, and later the son, Jean Claude--"Papa Doc" and "Baby Doc"--who with the support of the United States have oppressed that country for a quarter of a century.

Haitians who have arrived in the United States have been detained in so-called "special centers," which are nothing more than Nazi-style concentration camps, where they are given brutal and inhuman treatment.

Last 29 December, in the Krome North camp in Miami, about 700 Haitians ended a hunger strike protesting the failure to give them political refugee status. In Puerto Rico, the Haitian refugees who were taken to the island and held at Fort Alle--where no journalists or other persons interested in their well-being have been permitted--are subjected to a system of slow torture, according to a recent charge.

That charge added that some of them have been used for secret experiments which have resulted in serious organic changes.

This is done by a government which has had the impudence to invoke human rights and seeks to meddle in the internal affairs of those countries on which it is unable to impose its policy of subjection.

From all the foregoing, the present tragedy of the Haitian people demands the exercise of militant solidarity and the consistent denunciation of the fascist methods being used by the leaders of the United States against these people.

8535

CSO: 3010/1008

## TRADE UNION FREEDOM IN SOCIALIST COUNTRIES EXPLAINED

Havana TRABAJADORES in Spanish 16 Jan 82 p 2

Commentary by Jose Alejandro Rodriguez

[Text] Distortion in the bourgeois press concerning union activities in the socialist countries seeks to hide the true role of the workers in the new society.

The capitalist press has sighted in on the unions in the socialist countries. Whether they are dependent or lacking the power of decisionmaking, whether they are silenced and muzzled by the state and the party--these are the questions that are contaminating the conscience of millions of persons throughout the world.

The diatribes have broken out again recently. The events in Poland have been used in an aggressive campaign against the activities of workers in our countries. The counterrevolutionary alternative, "Solidarity,"--which went beyond union interests and was, happily, aborted--was crowned with a halo of authenticity by imperialist spokesmen.

Cuba did not escape their aims. A U.S. delegate to the 68th Interparliamentary Conference held last year in our country, at a press conference in the U.S. Interests Office in Havana held only for the foreign capitalist press, dared to exhort Cuban workers to follow the example of "Solidarity." Thus, he sanctioned the provocative policy of his government against our people.

How little the imperialists know of the force which was born in this world with the Great October Revolution! Or, to say it in a better way, how they want to hide from our realities! If analysts of the bourgeois "establishment" and its propagandizers were more objective and less prejudiced, if at least they understood that the role of the unions in socialist countries cannot be modeled on a bourgeois society, if they were aware that when power is in the hands of the working class the unions have another, different and deeper responsibility; if they understood these things, they would cease to be imperialists.

Why do the powerful broadcast media, those transnationals of opinion, not show off their "objectivity" and their "freedom of expression" by reflecting the many instances of the rich and dynamic union life the socialist countries have, free of contradictions and criteria?

Recently we have received from the USSR dispatches containing very edifying examples, such as that of Anatoli Golovin, director of the Konveier enterprise in Lvov, Ukraine. Golovin was an important and efficient official who, as a means of making that enterprise more efficient and productive and to save resources, postponed the purchase and installation of new heating and ventilation systems in the workshops. The union's demands therefore were not met, and the case was presented to higher authorities. The result: Golovin was fired from his job.

Also, because of failure to comply with health and safety regulations in the exploration of an oilfield in the polar region, the technical inspector demanded that the drilling work be stopped, and Vasili Tolstikov, sector chief at Ust-Kuiguin, was fired at the request of the union committee.

Cases like these have similar results in any socialist country, and are seen in many aspects of the productive life of our nations. In 1977 alone more than 10,000 administrators were dismissed at the request of the unions.

We wonder what business executive or owner in any capitalist country is fired from his job by the workers, when those who are fired there are the workers who do not conform to the boss's laws? How many millions of workers in those societies are forced to work in extremely dangerous conditions, exposed to the constant threat of accidents, without being able to change that situation within the legal framework of their democracy?

Here we run up against the phenomenon of the strike. That resources was born of the impotence of the wage earner against the evils of capitalist exploitation, and it is the carrier of the burden of class antagonism. Those who incite to strike in the socialist camp, those who, from outside the country, stir up the workers' power with the defense of that "right," are unable to see that socialism was not born by prohibiting strikes with any decree; they simply fell of their own weight; they lost their reason for being.

Why should I rebel against myself? Why deny my position as owner of the means of production, as builder of the new life, as legislator, as controller of the institutions and decrees which I myself helped to create?

The socialist society does not presume to be perfect and does not hide the contradictions which arise in its renewed effort for man's material and spiritual progress. But these contradictions are not antagonistic, and mechanisms have been created--and are also being improved--to bring a happy solution to those problems.

Unions under socialism carry a fundamental weight in the national decision-making process; they participate in the making of the laws and in their later application, especially those concerning social security, labor, and the administrative outlines and budgeting for the development plans; and they take an active part in many other areas of the life of the country. They encourage production and pave the way for future generations.

They are represented at the highest levels of leadership in both the party and the state.

This is only possible with socialism. The dictatorship of the proletariat vindicates the worker and confers on him a role in the life of the nation, delivers the state apparatus into his hands and reestablishes the role of the unions as the faithful allies and firm support of the revolutionary process in the economic, political, social and cultural development of the nation.

That is what the spokesmen for imperialism try to deny: the dignity, drive and vigor of the unions, which they are trying to hide from millions of exploited and impoverished workers under the shadow of the fabulous coffers of capitalism.

8735  
CSO: 3010/1008

## 'UNITED LEFT' POLITICAL FRONT CREATED FOR ELECTIONS

Santo Domingo EL CARIBE in Spanish 11 Feb 82 p 1

[Article by Nelson Encarnacion]

[Text] Six leftist political organizations announced yesterday the formation of a front designated as the "United Left," in order to participate in the next general elections set for 16 May.

The presidential and vice-presidential candidates from this Marxist-Leninist nucleus will be Mr Franklin J. Franco, president of the Anti-imperialist Patriotic Union (UPA), and Dr Juan B. Mejia, leader of the Dominican Worker's Party (PTD).

In addition to the UPA and PTD, the "United Left" will be formed by the Communist Workers' Nucleus (NCT), the Workers' Socialist Movement (MST), the Socialist Party (PS) and the Dominican People's Movement (MPD).

The group's presidential candidate, Mr Franco, announced yesterday during a press conference that these organizations have adopted a common platform to be presented to the Dominican electorate at the next elections, one which is different from those they refer to as the bourgeois parties.

Mr Franco said that the agreement "marks a new path along the current political process and from now on we will speak in terms of before and after the 'United Left.'"

Franco indicated that while the "pro-imperialist rightist parties, like the Reformists, Dominican Revolutionary, Democratic Quisqueyan and Social Christian Parties, are facing divisions that shake their foundations, by contrast the Left is drawing together, expanding perspectives, pooling experiences and moving toward unity."

The presidential candidate stated, "the most solid proof of this is evidenced by the political unity agreement that we are today presenting to the entire country, and especially to the social sectors which beyond their vicissitudes and twists and turns, are today supporting more warmly than before the need for real and effective change in the economic, social and political order with which we are suffering."

The political leader and professor at the Autonomous University of Santo Domingo (UASD) noted that the "United Left" will uphold its determination to maintain an active position, favoring the democratic rights attained by the people.

"And," he added, "we categorically reject all types of terrorist, anarchist or speculative actions which alienate the revolutionary masses."

Franco said that the new front is willing to participate in the next elections as a unit, "in light of the shared understanding of the current political situation."

He indicated that the agreement "enormously expands the possibilities for voters who today look to the Left, and makes us part of a force whose protection undoubtedly places us in the foreground of national policy."

Franco remarked that the platform presented by the "United Left" has been submitted to the Dominican Communist Party (PCD), the Dominican Liberation Party (PLD), Communist Labor Party (PCT) and the Movement for Socialism (MPS), and other leftist groups in the country.

Present at the press conference were leftist leaders Max Puig, Rafael-Fafa-Taveras, Esteban Diaz Jaquez, Miguel Mejia, Angel Matos and Ivan Rodriguez.

9730  
CSO: 3010/971

## CONGRESS TO CONVENE, LEGISLATORS LISTED BY BLOCK

Quito EL COMERCIO in Spanish 23 Feb 82 p A 2

[Text] The 69 principal legislators who make up the National Chamber of Representatives are to meet next Monday in a special session of Congress in order to pass after the first debate the Organic Law on the Legislative Function, and to ratify 25 treaties, agreements, conventions and other international documents signed by the Ecuadorean Government.

Here is the current list of the 69 legislators, after the most recent changes:

Conservative bloc (7): Rafael Armijos, Rodrigo Suarez, Galo Pico, Pablo Dava-los, Gudberto Ortiz, Pio Cueva, Arturo Piedra.

Liberal bloc (4): Raul Clemente Huerta, Eudoro Loor, Medardo Mora, Camilo Gallegos (substituting for Independent Jaime del Castillo).

Democratic Party bloc (3): Heinz Moeller, Marco Proano, Edgar Garrido.

Concentration of Popular Forces (CFP) bloc (12): Carlos Julio Llerena (replacing the late Assad Bucaram), Arquimedes Valdez, Rafael Marquez, Pepe Mos-quera, Galo Vayas, Juan Chamoun, Rodolfo Baquerizo, Antonio Gavilanez, Manuel Valencia, Jorge Fadul, Carlos Falquez, Julio Ayala.

Popular Democratic bloc (11): Julio Cesar Trujillo, Juan Manuel Real, Wilfrido Lucero, Juan Tama, Augusto Abad, Ezequiel Clavijo, Gil Barragan, Maximiliano Rosero, Fausto Vallejo, Manuel Daza, Jorge Zambrano.

Social Christian bloc (2): Leon Febres Cordero, Jacinto Velasquez.

Democratic Institutional Coalition (CID) bloc: (1): Otto Arosemena.

Nationalist Revolutionary Party (PNR) bloc (2): Carlos Julio Arosemena, Aurelio Carrera del Rio.

Democratic Left bloc (12): Raul Baca, Rodrigo Borja, Alejandro Carrion, Hugo Caicedo, Arnaldo Merino, Arturo Cordova, Gonzalo Callejas, Javier Ledesma, Luis Mejia, Vilem Kubes, Rodrigo Cisneros, Luis Munoz.

MPD [expansion unknown] bloc (1): Jaime Hurtado.

PCD [expansion unknown] bloc (5): Reinaldo Yanchapaxi, Gilberto Plaza, Eduardo Rivas, Nelson Felix Navarrete, Gustavo Valdiviezo.

Independents (9): Severo Espinosa, Edgar Orbea, Cleomedes Ollague, Gonzalo Gonzalez, Ricardo Bowen, Jorge Chiriboga, Walter Esparza, Gabriel Nicola, Antonio Lara.

It must be noted that the last three legislators mentioned (Esparza, Nicola and Lara) are still on the CFP slates, but they have severed their ties with that party. For that reason, they are listed as independents; they should define their situation shortly.

On the other hand, it should be noted that the alternate liberal legislator Camilo Gallegos is serving in Congress as a replacement for the principal independent representative, Jaime del Castillo.

8926

CSO: 3010/1040

**DAILY VIEWS HURTADO'S FIRST 8 MONTHS**

Guayaquil EL UNIVERSO in Spanish 25 Feb 82 p 5

[Text] Quito, 24 February--Ecuadorean President Osvaldo Hurtado today marks his eighth month in office in a quite tranquil atmosphere in the social and political spheres, although with problems in the economic sector.

Hurtado, 42, took office on 24 May last year after the death of President Jaime Roldos in an air crash.

Founder of the Christian Democracy movement in Ecuador in 1964, Osvaldo Hurtado was selected to run on the ticket with Jaime Roldos in 1978.

The Roldos-Hurtado ticket won resoundingly despite the candidates' youth, and their administration began on 10 August, 1979, marking a return to the constitutional system after 9 years of dictatorial governments.

**Serious Problems**

During these 8 months, Hurtado encountered serious problems in various fields.

In November and December of last year there was a series of strikes and work stoppages that culminated in a 24-hour general strike by the Single Workers Front (FUT). Hurtado confronted those movements without employing major repression, and the protest ended with the failure of the FUT's strike.

Later, in January, President Hurtado was the center of a controversy about his proposal to seek a peaceful solution to the border dispute with Peru.

**Break with Vice-President**

In addition, he immediately faced a break with Vice-President Leon Roldos, Jaime's brother. Then came a brief military crisis, and the resignations of ministers and several officials of the People, Change and Democracy Party, followers of Roldos.

The president soon overcame these problems, and journeyed to Brazil on 7 February.

During the political crisis, Hurtado won the cooperation of the Concentration of Popular Forces Party (CFP), formerly his party's fiercest opponent, particularly during the leadership of Assad Bucaram, who died last November.

With the incorporation of that party, the Hurtado Administration won the necessary votes to have a majority in the National Chamber of Representatives for the first time since the installation of the constitutional government.

In the military sector, there are repeated assertions about constitutional order and about Hurtado's proposal for a definitive solution to the Peruvian dispute. That issue has been put on the back burner, although the president did deal with it extensively during his recent visit to Brazil.

#### Economic Problems

The government's main problems are with the economy. Rumors about a devaluation were recently denied, but there is not much confidence in the emergency measures that were adopted.

Last week the dollar reached its highest price, 36 sures, but it showed a downward trend after the government's decision not to devalue the sucre.

The drop in oil prices and those of traditional export products are weighing heavily on the Ecuadorean economy, but an official spokesman, the manager of the Central Bank, stated a few days ago that although Ecuador's situation is not good, it is better off than other countries in Latin America.

Central Bank Manager Abelardo Pachano and the government's economic agencies adopted measures in recent days to stop luxury imports and to maintain the ban on imported vehicles.

President Hurtado's term of office expires on 31 August 1984.

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CSO: 3010/1040

## MINISTER SEEKS JAPANESE INVESTMENTS, MARKETS

Quito EL COMERCIO in Spanish 22 Feb 82 p A 1

[Text] Tokyo, 21 February--Ecuador will make up for its imports of luxury and necessary goods with exports of products that are not very competitive internationally, except for crude oil, stated Ecuadorean Minister of Industry, Commerce and Integration Orlando Alcivar Santos today.

In an interview with the Kyodo news service, Alcivar stated that if Japanese companies will import bananas, cacao and Ecuadorean fishing products at a value of \$3 million, Japan may export the same value of vehicles to Ecuador. He indicated that this decision was adopted 2 days ago by Ecuadorean monetary authorities.

Alcivar also stated that the percentage of Ecuadorean auto imports from Japan could double to 100 percent, from the current 50 percent.

The Ecuadorean minister arrived in Tokyo on 16 February for a 1-week visit, mainly to attend the second exposition in Japan of Ecuadorean products, slated to last until 25 February here.

He admitted that Ecuador's trade with Japan could be favorable to Japan this year, given that Ecuador's 1-year contracts with Japanese firms for the export of crude oil, Ecuador's principal export product, expired last July.

No new proposal was made to renew the contracts, but Ecuador expects to sell crude to Japan if mutual agreements can be made on aspects such as price.

When asked if Ecuador would lower crude production in the context of the production cuts by Saudi Arabia and the persistent saturation of the oil market, the 42-year-old minister discounted that possibility, asserting that Ecuador takes a year to produce the amount of crude that Saudi Arabia can produce in 10 days.

On the contrary, he said, Ecuador is promoting plans to step up crude oil production, which at present ranges between 208,000 and 210,000 barrels per day, by 20,000 barrels per day this year.

Alcivar stated that his country would like to encourage more direct investment by Japan, and is now offering three advantages: a low rate of inflation, held steady at 13.8 percent for the last 10 years, a stable Ecuadorean currency which has maintained its value in relation to the U.S. dollar for the past 10 years, and government emphasis on the attraction of foreign capital.

Referring to the 70 million people who live in the region of the Andean Common Market, comprising Bolivia, Colombia, Ecuador, Peru and Venezuela, Alcivar indicated that this is an enormous market that needs consumer goods.

Alcivar, who is president of the Andean Pact Commission, declared that Ecuador receives investments in the agriculture, fishing and industrial sectors, including the petrochemical sector.

He added that he will ask for a reduction in the import duties on cacao, coffee and bananas when he meets with Minister of International Trade and Industry Shintaro Abe tomorrow (Monday).

Next Tuesday, Alcivar will leave for Beijing.

8926

CSO: 3010/1040

## ACTIVE DUTY GENERAL OFFICERS TOTAL 41

Guayaquil EL UNIVERSO in Spanish 26 Feb 82 p 5

[Text] Quito--A total of 41 general officers are on active duty in the National Armed Forces, after the readjustments and reassessments made by the High Military Command of the Army.

For the first time, at least in recent decades and possibly in the history of the armed forces, the Navy has slightly more general officers than the other branches of the armed forces, with two vice admirals and 15 rear admirals for a total of 17. The Air Force, as always, has the fewest general officers in active service, with eight brigadier generals.

## Navy

The Navy hierarchy is as follows: Vice-Admirals Mario Jaramillo del Castillo and Victor Hugo Garces Pozo, for a total of two.

Rear Admirals Carlos Flores Uzcategui, Fausto Cevallos Villacres, Fausto Lasso Guerra, Bolivar Espinoza Maldonado, Alfredo Estrella Novillo, Santiago Coral Teran, Marco Leon Duenas, Marco Villalba Yerovi, Francisco Viteri Silva, Raul Jaramillo del Castillo, Angel Garrido Zambrano, Anibal Carrillo Paez, Galo Molina Frijalva, Ramon Apolo Herrera and Jorge Queirolo, for a total of 15.

## Army

Major Generals Jorge Arciniegas Salazar, Gribaldo Mino Tapia, Rene Vargas Pazzes, Jose Osvaldo Suarez Rueda, Luis Pineiros Rivera and Cristobal Navas Almeida, for a total of six.

Brigadier Generals Wellington Vivero Burbano, Hector Alonso Miranda Guerrero, Julio de la Torre Cornejo, Eduardo Lituma Arizaga, Mario Jimenez Montero, Germanico Paredes Gomez, Jorge Humberto Felix Mena, Manuel Maria Albuja, Jorge Enrique Azanza, Raul Borbua Bohorquez and Edison Flavio Garzon Moreno, for a total of 10.

Air Force

Brigadier Generals Hector Vasconez Lopez, Bolivar Mora Veintimilla, Edison Ruales Bravo, Frank Vargas Pazzos, Galo Pazmino Silva, Armando Duran Nunez, Fausto Sevilla Aguilar and Jorge Andrade Cevallos, for a total of eight.

Security Council

Quito--Maj Gen Luis Eduardo Pineiros Rivera was named the new executive secretary of the National Security Council, filling the vacancy left by Maj Gen Jorge Maldonado Mino. Maldonado is now serving as minister of national defense, as a result of the unexpected shift in the higher ranks of the National Armed Forces at the end of last January. Former Minister of National Defense Vice-Admiral Raul Sorroza Encalada and the highest ranking officers of the Ecuadorean Army, Maj Gens Medardo Salazar Navas (former commander general of the Army) and Richelieu Levoyer Artieda (former chief of the Army General Staff), were relieved of their positions after being placed on inactive duty.

Maj Gen Luis Eduardo Pineiros Rivera, recently promoted to that rank, is also at this time president of the "El Nacional" military club.

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CSO: 3010/1040

**FINANCE MINISTER DISCUSSES AUSTERITY MEASURES**

Mexico City EXCELSIOR in Spanish 20 Feb 82 pp 1-A, 8-A, 9-A, 10-A, 12-A

[Article by Isabel Zamorano]

{Text} Secretary of Finance and Public Credit David Ibarra Munoz reported yesterday that to cope with the impact the devaluation of the peso is having on national life, the Federal Government will implement a program of "strict austerity" in public spending, cut the budget by 3 percent, refrain from freezing bank accounts in dollars, guarantee unlimited convertibility, fulfill its commitments on the international money markets, and make an effort to maintain the buying power of lower income groups.

The 3 percent cut in the budget represents 100 billion pesos, he indicated, which will cover the servicing of the foreign debt, pay raises for employees, and high-priority spending programs.

The austerity program, with actions in the financial, exchange and budget sectors, will protect primarily the workers, peasants and businessmen of Mexico. It will cushion the domestic impact of the international recession, and discourage the dollarization of our economy.

Ibarra Munoz indicated that the IMF was notified--not consulted--about this move, and while these adjustments are taking place in the national economy, the forces of the market should give a clear indication that the peso was overvalued in the past. When stable prices are achieved, the new parity will be set.

It is not known how long this process will take. When it is over, the parity will be adjusted daily, on the basis of real and objective considerations, without any burdensome overvaluation.

The finance secretary acknowledged that the reserves of the Bank of Mexico have eroded, because, he explained, in the early months of the year loans are renewed and capital is transferred, but it is impossible to know the exact percentage of the decline.

It was for these reasons, as well as the need to maintain an adequate reserve, that the Federal Government caused the Bank of Mexico to withdraw

from the exchange market, so that the new parity could be set when those capital movements took place.

David Ibarra Munoz as well as Gustavo Romero Kolbeck denied that any flight of capital is taking place at this time. The latter cited the servicing of the debt and imports, among other factors, as the causes for the peso's parity problems.

Ibarra Munoz, on the other hand, stated that the problem arose as a result of the ever increasing dollarization of the domestic market, and the acceleration of purchases abroad. "This," he said, "was what hit the reserves of the Bank of Mexico."

The finance secretary, Secretary of Planning and Budget Ramon Aguirre Velazquez, and Bank of Mexico Director Gustavo Romero Kolbeck held a press conference at Los Pinos.

The secretary of finance and public credit asked the public not to be taken in by rumors about exchange controls, and agreed that what was initially called the "withdrawal of the Bank of Mexico from the exchange market" is actually a currency devaluation. He asserted that responsibility for this problem is shared by all Mexicans, because "it is difficult to point the finger of blame at people who are responsible or who could have behaved more ethically."

#### Inflation, Slower Growth

Ibarra Munoz conceded that the devaluation of the peso will cause greater inflation "momentarily," although there are mechanisms to control it. It will also slow down economic growth, which had been estimated at 6.5 percent a year, to just 4 or 5 percent. Moreover, jobs will be generated at a slower pace, 3 to 4 percent.

The official stated that it was external events that forced the government to take such a painful but necessary step to conserve and consolidate the social and economic growth it had achieved, and contended that the government tried every means available to defend the peso and a moderate system of flotation that sought to minimize any domestic damage.

The economic adjustment program he announced will ensure consolidation, and will mitigate the threat of economic instability, he added. The planned adjustments will not be associated with a drastic slow-down of economic activity.

At this time, he asserted, it is imperative that demand be reoriented toward the internal markets, and that national production destined for the world market be stepped up.

He recognized that workers, peasants, businessmen, savers and the government, in its role as the director of the economy, will all feel the impact. It is up to all Mexicans to share the cost of this adjustment.

Ibarra Munoz stressed that the Federal Government will see to it that certain sectors of the population will not be seriously hurt while others profit from speculation.

#### Light Burden

He also said that it will make sure that Mexican workers, peasants and businessmen do not have to bear the brunt of the adjustment. It will try to make the burden as light as possible, because these groups have always shown their solidarity and support for the country and its institutions, often at the cost of seeing their own income reduced.

He promised that the government's labor policy would continue to support better wages so that workers can enjoy an improved lifestyle, as well as guaranteed loans, preferential loans and cheap inputs for peasants.

As for the public sector, Ibarra Munoz stated that it will have to set an example. In addition to the strict financial and budgetary austerity program, priorities will be reordered, programs will be cut back, and non-essential costs and investments will be differentiated so as to keep the impact on the economy to a minimum.

Mexico, he added, is undergoing a very difficult period, and the measures that will be taken will benefit the Mexicans who work, produce, save and invest, and who believe in the country. With consolidation will come autonomy vis-a-vis other countries; there will be less dependence on foreign indebtedness; foreign reserves will be better utilized, and public and private enterprises will attain greater efficiency.

#### Program of Action

The actions detailed by Ibarra Munoz are as follows: The exchange policy will aim at a parity that will prevent Mexican goods and services from becoming more expensive and less competitive abroad. It will also prevent foreign goods and services from becoming more attractive than national products. When the currency is adjusted, financial authorities will make sure the exchange rate is adjusted to other currencies in a timely manner; there will be daily adjustments in order to avoid a burdensome overvaluation.

Budgetary policy will give preference to spending on high-priority activities, or activities most closely tied to the public welfare. For this purpose, the budget will be carefully controlled.

Financial policy, he said, will keep domestic interest rates at a level competitive with foreign levels, in real terms. On the one hand, interest rate levels will provide a disincentive for the dollarization of the national banking system, and will discourage any tendency for capital to flee abroad, while fostering the repatriation of funds at the same time.

Furthermore, the determination of these levels will be influenced by the desire to avoid obstacles to production and investment. More domestic savings will be promoted, and public and private enterprises that in good faith were forced to contract debts in dollars will be supported to avoid decapitalization.

As for its employment and wage policy, he added, the government will guarantee workers that their economy will not be damaged by the effects of the alteration of the exchange rate, and prudent adjustments will be authorized in the public payroll. It will recommend that the private sector follow suit, for the benefit of its workers.

The economic program will make every effort to maintain the achievements made in wages and the redistribution of income.

As for foreign trade policy, the current system of incentives for exports and tourism will be changed to give Mexican businessmen full guarantees against the loss of competitiveness due to inflation, and to establish a solid foundation for agreements on investment or increased supply. In the case of basic consumer goods or products that are indispensable for production, tariffs and permits will be liberalized.

Concerning prices, indispensable increases will be authorized if justified by movements in costs, and such increases will not be allowed to exceed wage compensations.

Mexico's international finance policy will continue to support its commitments on the world money and capital markets with the utmost strictness and punctuality. There will be special support for the border areas, to prevent major imbalances.

#### General Interest

Secretary of Finance and Public Credit David Ibarra Munoz presented to the national community the economic adjustment program drawn up by the cabinet, and announced that on Thursday 18 February he met with President Lopez Portillo at Los Pinos for that purpose.

The document, which will be flexible and is subject to change when necessary, was written by the members of the economic cabinet: Ibarra Munoz and the secretaries of planning and budget, commerce, tourism, labor and social welfare, and the directors of the Bank of Mexico and the National Financial Bank (NA-FINSA), under the direction of the president of the republic.

Secretary of Planning and Budget Ramon Aguirre Velazquez also participated in the press conference and provided explanations. He stated that in the next few days the programs to be adjusted will be announced, and had a lengthy response to those who maintain that the Overall Development Plan is a failure.

The director of the Bank of Mexico, Gustavo Romero Kolbeck, declared that among other factors, the devaluation of the peso was caused by the need to

devote resources to the servicing of the debt and the purchase of imports, as well as smuggling, smaller purchases by foreigners, and vacations abroad.

He recognized that on 4 February the nation's banks purchased a record amount of dollars, and asserted that yesterday those same banks received more than the normal amount of dollars.

Romero Kolbeck also stated that this time no one bought dollars for resale, "because no one knew that Mexico would withdraw from the exchange market."

#### No Increase in Oil Development

Ibarra Munoz indicated that non-essential imports will be cut back, and explained that the Federal Government will assist businessmen for many reasons: first, because they are Mexicans; second, because the country's development cannot be halted; and third, because there would be liquidity problems in the working capital of those enterprises.

He stressed that now is not the time to vilify any sector; rather, all Mexicans should unite to overcome--once again--an unfavorable economic situation.

With regard to petroleum, he said that exports will not increase; they will total 1.5 million barrels.

He stated also that when the economic adjustment program is in effect, it is difficult to know what Mexicans who have money abroad will do, but the government would like them to know that even though they may not have behaved very patriotically in the past, at any rate there will be incentives for them to repent and return their money to Mexico.

"Whether or not they do it is up to them, but they will have incentives to do it," he repeated.

8926  
CSO: 3010/1121

COUNTRY SECTION

MEXICO

PSUM CANDIDATES AIMING AT WORKER SUPPORT

Mexico City EL SOL DE MEXICO in Spanish 16 Feb 82 p 1-A

[Text] The PSUM [United Socialist Party of Mexico] will launch candidates for deputies and senators to offer a real confrontation between the different parties, and make greater inroads into the working class, which will strengthen this political organization.

The above was announced by the head of the political commission of the central committee of PSUM, Arnoldo Martinez Verdugo, candidate for president of the republic.

The members of the commission, among them, Gilberto Rincon Gallardo, Enrique Semo, Pablo Gomez and others, indicated that the candidates must espouse a political line which reflects a spirit of change and working class victories to achieve a revolutionary transformation of the country.

The political commission emphasized that the "candidacies are not privilege titles, but positions of great social responsibility."

The commission maintains that the PSUM seeks to promote the party, rather than personalities, and the latter must be faithful representatives of a struggle for socialism, not political vendettas.

It was announced that the Socialist Party will nominate as candidates for senator and deputy those who come from non-party organizations as long as they adapt themselves to the principles of PSUM.

For a Parliamentary Group

With regard to the election of a parliamentary group of the party, it is acknowledged that, after 3 years of work, it is necessary to seek a parliamentary group to help in the performance of legislative tasks within and without the Chamber of Deputies.

For this concrete case, the proposed candidates will be chosen in the National Electoral Assembly, and, they stated, they must have a great spirit of popular struggle, which is the struggle of the party.

With regard to the scope of the group, it was announced that it will block any personalist action on the part of deputies and senators from the party, just as it will take the initiatives to propose laws, frame laws, and to take actions aimed at confronting the country's problems, for which the members should be specialists in specific fields.

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## AMBASSADOR TO CUBA ADDRESSES FAREWELL RECEPTION

Mexico City EXCELSIOR in Spanish 4 Mar 82 pp 3-A, 21-A

[Article by J. Manuel Lopez]

[Text] Havana, 3 Mar--The former Mexican ambassador to Cuba, Gonzalo Martinez Corbala, on leaving the embassy reception given for the Government of Cuba, said last night that "when the historical reason and the affection between the people of Mexico and Cuba are steadfast, there is nothing which can break these ties."

President Fidel Castro came to say good-by to the Mexican representative accompanied by the principal members of his cabinet, among whom are Minister of Defense and First Vice President, Raul Castro Ruz, Carlos Rafael Rodriguez, Arnaldo Milian, Osmani Cienfuegos, Vilma Espin, Armando Hart, Flavio Bravo, Manuel Pineiro, and other important personages from the government, the party, and the art and culture of Cuba.

Martin Corbala stated to the Cuban representatives and other guests that "the ambassador leaves for official reasons, but the friend remains here forever."

Mr Gonzalo Martinez Corbala was accredited to the Havana government in May 1980, and has been the only ambassador received by Fidel Castro more than 4 times in his first 48 hours in Cuba.

On 20 November, the anniversary of the Mexican revolution coincided with the anniversary of Mrs. J. del Carmen Corbala, mother of the Mexican official, and Fidel Castro was present at the celebration of both in a cordial and informal atmosphere. Three days later, the North American Secretary of State, Alexander Haig, and the Vice President of the Councils of State and Ministers of Cuba, Carlos Rafael Rodriguez, met in the Mexican capital.

Likewise, Fidel Castro stated last March in the Mexican Embassy, on the occasion of Corbala's birthday, that he has been the best Mexican ambassador during the 22 years of Cuban revolution.

## BRIEFS

INTEREST IN CUBAN TOURISM--Recently a group of Mexican investors travelled through the Cayo Largo, 70 kilometers south of Havana, accompanied by the president of the National Institute of Cuban Tourism, Jose Luis Padron, in order to ascertain the development outlook for tourism in that area. Among the visiting Mexicans were Alejo Peralta, Miguel Arias and Jaime Cardenal, who were accompanied also by the president of CIMEX, Carlos Alfonso and other officials of INTUR [National Institute of Cuban Tourism]. The island of Cayo Largo has 25 kilometers of fine sand on its beaches and an area of 35 square kilometers, and it is considered that the new Cuban tourist development has potential for a rapid commercialization. Before the visit of the Mexican businessmen, the president of Svenska Handelbanken of Sweden had been in Cayo Largo, with the president of the Central Bank of Cuba, Dr Raul Leon Torres, as his guide. Cayo Largo has received visits from other financiers and diplomatic officials of Canada, such as Ambassador James Partleman and Rolf Kindban, the latter a representative from the Candian Foundation, a subsidiary of Skanska, of Canada. It is believed that negotiations on foreign investment in Cuba will be finalized this year for the new tourist development which presents good prospects according to the opinion of the Mexican investors who visited the island of warm Antilles water. [Text] [Mexico City EL SOL DE MEXICO in Spanish 16 Feb 82 p B-6] 9678

PROTEIN INTAKE DATA--The daily consumption of proteins among the Mexican population does not exceed 20 grams, while the FAO recommends consumption of up to 75 grams to achieve an adequate physical and mental development, which demonstrates that we are producing generations of undernourished people. Such was the opinion of the chemist Juan Garcia Avila, head of the department of biotechnology of the School of Chemical Sciences who showed the necessity of implementing diverse programs to improve the nutrition of the new generations, in order to achieve better physical and mental development which will be reflected in higher productivity. [Text] [Mexico City EL SOL DE MEXICO in spanish 16 Feb 82 p F-3] 9678

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